

**Lovell**

for CONSTRUCTION

No. 26,920

Monday March 15 1976

10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.76; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.20.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

**Drummond's**  
Suits  
ask your tailor!

**NEWS SUMMARY**

**GENERAL**

**Sadat revokes Soviet treaty**

President Sadat last night renounced the 15 year treaty of friendship which Egypt signed with the Soviet Union in 1971. Frustrated by Moscow's refusal to re-supply Egypt with arms or to re-schedule the country's debts, President Sadat told the People's Assembly: "They want to pressure me when our planes will be nothing but scrap after a year and a half with no spare parts."

If this was the Soviet conception of a friendship treaty, then the document was nothing more than a scrap of paper.

President Sadat is due to begin a tour of West Germany, Italy and France in two weeks time.

**Irish find bomb factory**

Four tons of bomb-making chemicals and other equipment were found by Irish police during the week-end in an isolated farm near Farnham in Co. Offaly.

Warnings of fresh attacks in Britain were issued by the IRA over the week-end. Back Page

**Normal rail services resume**

Eastern Region rail services, which were disrupted for weeks of last week by unofficial strikes, are expected to be back to normal this morning. Drivers at King's Cross, London, and strike-bound depots, returned to work over the week-end following a union-management agreement.

**Cuban leader in West Africa**

Dr. Fidel Castro, the Cuban Premier, arrived in Guinea last night to meet Dr. Agostinho Neto, leader of Angola's MPLA regime, whose victory in the Angolan civil war was aided by Cuban forces. Castro is on his way home from the Soviet Party Congress in Moscow. Back Page

**Query on Smith's hired Britons**

Mr. James Callaghan, Foreign Secretary, is to be asked in the Commons to act immediately in the reported movement into Rhodesia of British mercenaries. Page 4. According to figures issued in Salisbury Rhodesia's military and economic problems are contributing to a soaring divorce rate.

**Hope abandoned for 14 trawlermen**

All hope has been given up for 14 French trawlermen who were swept into the sea in 90 mph gales. After a 48-hour search the Navy said yesterday that there was no chance that any of the missing men could still be alive.

**Spanish tank major arrested**

Another Spanish officer—a major in the armoured corps—was arrested following last week's leaks to the Press about the underground Military Democratic Central Union. Near San Sebastian, a taxi driver was shot in a killing which police blamed on ETA, the Basque guerrilla group. In Rome last night, a man was shot dead and two were injured when police fought with demonstrators outside the Spanish Embassy to the Vatican. Page 7

**Briefly . . .**

Hydrogen bomb with a 500-1,000 kiloton yield which was detonated underground in Nevada yesterday carved a molten cavern deep enough to hold the Empire State building.  
Iran is to backdate its Islamic solar calendar by 1,900 years to the time when Cyrus the Great established the first Persian empire in 533 BC.

**BUSINESS**

**Tighten closed shops—Murray**

MR. LEN MURRAY, TUC general secretary, has advised unions to tighten existing closed shop agreements to prevent individuals making successful claims of unfair dismissal against employers following the case of the "Ferrybridge Six." Back Page

RETAIL PRICE figures due this week, combined with those for earnings, will demonstrate how successful the Government's counter-inflation policy has been. The Bank of England Bulletin last week suggested that the earnings figure may not be as low as the 16 limit has been produced. Page 4

WEST EUROPEAN economies, running at about 10 per cent. below capacity, are at a stage when the chances of sustained recovery or stagnation are evenly balanced, according to the United Nations Economic Commission for Europe. Page 7

ISRAELI POUND was devalued by nearly 2 per cent. to 7.53 to the U.S. dollar last night. Prices of basic foods rose 20-25 per cent. following a Government decision to reduce subsidies. Page 7

**Dow Chemical raises prices of raw plastics**

DOW CHEMICAL is to increase styrene monomer prices by 10 per cent. and butadiene by 8 per cent. in all West European countries from April 1. Back Page

FORKLIFT truck manufacturers in Britain are planning to build levels 20 per cent. above present requirements by summer in anticipation of a revival in trade next year. It is seriously worried about the ability of their suppliers to meet demand after the recession. Page 4

FRED OLSEN and Seapressed Ferries have formed a joint organisation to expand roll-on/roll-off services to the Middle East. Page 4

REDUCTION in scheduled aircraft seats across the North Atlantic from April 1 is being sought by Department of Trade officials in U.S. talks. Page 4

LONDON Chamber of Commerce says it is receiving a growing number of calls from foreign embassies concerned about the growing tide of professionalism in Britain. Back Page

**Teeves plans U.S. factory**

ALFRED TEEVES, the West German broke manufacturer, plans to establish one of the first European car component factories in the U.S. at Culpeper, Virginia, in a year. Contracts to supply one of the big U.S. manufacturers would be signed within a month.

EXECUTIVE of the Institution of Professional Civil Servants will recommend affiliation to the TUC at the union's May conference, despite rejection of the move in a referendum last year. Page 8

ASTMS executive has joined the campaign by several major unions for a special TUC conference by vote support is given to a second round of voluntary pay restraint. Page 8

**COMPANIES**

NATIONAL WESTMINSTER chairman says banks are ready and able to provide the finance needed to support economic recovery. Further public ownership in industry or finance are "entirely irrelevant to our present needs." Page 4, Page 22 and Lex

COPE ALLMAN first-half profit fell to £1.83m. Directors expect profits for the second half to be considerably more than those for the same period in 1975. Page 22

**Need for firm action to restore stability to snake**

**EEC Ministers try to steady currencies**

BY DAVID CURRY, BRUSSELS, March 14

IN AN atmosphere of grave concern over the unrest in foreign exchange markets, the Finance Ministers of the countries whose currencies belong to the EEC "snake" met here this evening to discuss what action could be taken to stabilise the situation.

The Finance Ministers of all the Common Market countries—including Britain, Ireland and Italy—met here to discuss the major issue they face in how to deal with the problems of the French franc and its membership of the EEC "snake".

The franc came under heavy pressure in last week's currency turmoil. Support to stop it dropping through the floor of the snake is estimated to have cost French reserves some \$1bn. in the final two days alone.

It has been widely suggested that Ministers will have no choice but to take decisive action to stop the franc from dropping further.

Unconfirmed reports from Italian sources last night stated that the Ministers of the snake countries agreed that the franc should be devalued by 3 per cent.

and the German D-mark revalued by the same amount.

According to the same reports, the French Government has demanded a fundamental reassessment of the snake.

Official sources in London confirmed that the meeting had taken place, but added that no decision had been conveyed so far to the British Government.

In the wake of the similar party tremors last February, Ministers were content to reaffirm their confidence in the existing structure of the snake, a confidence which was repeated at the Giscard d'Estaing-Holm-Schmidt Franco-German summit meeting.

Mr Denis Healey, the Chancellor of the Exchequer, is expected to face strong criticism at tomorrow's formal meeting of the Ministers for the U.K.'s handling of the past week's events.

The pound has been devalued by about 5 per cent. since the associated unrest on the exchange markets and other EEC currencies is being blamed in France for the current pressure on the franc.

The Chancellor is likely to reject the suggestion that the drop in sterling was in any way "engineered" by the U.K. It is in line with British policy to allow the pound to decline in relation to other currencies as long as the U.K. inflation rate is substantially higher than in other industrial countries. But

the fall last week is regarded as a market adjustment after a period of some three months in which sterling has been relatively firm.

While it is acknowledged that the movement got out of hand at times, the U.K. authorities point to the total of some \$750m. spent on intervention in the markets last week as a sign that Britain did its best to avoid exceptional strain on the market.

Parity is very worried about the prospect of competitive devaluations in Europe after the recent de facto falls of the British pound, the Italian lira and the Spanish peseta.

The snake system dates from April 1972, and limits the difference in rate between participating currencies at any given moment to 2.25 per cent. of the mutual EEC parities.

The expected devaluation of the French franc would be likely to lead to a small downward adjustment of the Belgian franc, which has already been subject to sharp pressure on the foreign exchange markets although in February the Government said that it was determined to defend its parity.

The British and Irish pounds and the Italian lira have dropped out of the snake and there is no early prospect of their renewed membership.

The Norwegian and Swedish crowns belong to the snake. The French franc was a founder member but left the snake in January 1974, for a period.

At the Rambouillet conference in November last year it was decided to curb erratic exchange movements as much as possible by intervention in the exchange market. The U.S. made it clear that the term erratic covered only incidental movements and that the interventions would not be directed against fundamental market trends.

The tension in the snake derives, in the Brussels view, from the differing success of EEC countries in controlling inflation.

Germany's relatively successful containment policy has made the mark desirable while the French franc, Belgian franc and Danish crown have all suffered from relatively permissive inflation rates in their home countries.

The tension tends to be perpetuated because of the absence of harmonised economic policies within the Community. Equilibrium within the snake, it is argued, can only come about if the more inflation-prone countries are forced to adopt tighter controls.

Continued on Back Page  
Editorial comment, Page 12

**Grimond: If I returned as Leader . . .**

BY PHILIP RAWSTORNE

MR. JO GRIMOND, the Liberal elder statesman, stirred the party's leadership controversy yesterday by apparently signalling his readiness to be drafted for another term as party Leader.

"If by some extraordinary fluke or peculiar situation, anyone wanted me back as Leader, they would have to face up to it—I should be there from five to ten years," he said in a BBC radio interview.

Mr. Grimond, who is 62, later denied that he was a candidate or had any aspirations to replace Mr. Jeremy Thorpe. But his remarks excited a great deal of Liberal Party attention.

Though Mr. Grimond, who is 62, later denied that he was a candidate or had any aspirations to replace Mr. Jeremy Thorpe, his remarks excited a great deal of Liberal Party attention.

He said: "I am not a candidate for the leadership of the Liberal Party—temporarily, permanently or in any other way. I believe we must resolve the problem at once."

Some Liberal MPs and senior party officers believe that a second term for Mr. Grimond would be the most dignified and politically astute answer to the party's problems. He will inevitably now be pressed to enter the lists.

Mr. Thorpe, who has now agreed to an early leadership election, was involved at the week-end in a renewed spate of allegations over the Norman Scott affair.

In a statement, Mr. Thorpe described Mr. Scott's allegation of a homosexual relationship as "pure moonshine." Mr. Scott, repeating his claims, said that Mr. Thorpe's statement was libellous and he would be consulting his solicitor.

The Liberal Leader's agreement to contest an early election merely anticipates the feelings of the overwhelming majority of his MPs, which will be reported to him at the parliamentary party meeting on Wednesday by Mr. Alan Beckett, the Chief Whip.

After the head-on confrontation by Mr. Beckett in the past few days, there is now some speculation whether Mr. Thorpe will be able to command enough support among the MPs to allow him to stand for re-election.

Two-thirds of the Liberal MPs are in favour of a change of Leader.

Events are moving inexorably, however, towards settling the issue by the end of April.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.



MR. JO GRIMOND  
No "caretaker"

election at the earliest possible date.

The main question to be decided is whether a special assembly will be required to ratify new election rules extending the vote to the constituency associations, or whether the wider party opinion can be registered without this procedure.

Mr. Thorpe's interest in the outcome is critical. He can only count on a great deal of loyalty from the party rank-and-file.

Mr. David Austin, former MP for Ripon, claimed at the week-end that many of the party's candidates remained "fervently" in favour of Mr. Thorpe's leadership. He has received messages of support from a number of constituents.

But the Young Liberals, at the week-end, said that Mr. Thorpe should stand down for a "caretaker" Leader, either Mr. Grimond or Mr. Richard Wainwright to take over.

Other sections of the party also appeared to be moving against Mr. Thorpe in the wake of Mr. David Steel's call for the party to make up its mind "within weeks, not months."

In his statement on the Norman Scott affair yesterday, Mr. Thorpe said that he had been accused of hiring a gunman, at a five-figure sum, to kill Mr. Scott and his dog. The Government was alleged to have contributed to the cost and the gunman identified as either his helicopter pilot or a Liberal worker.

It had also been claimed that the Liberal Party, Lord Byss, and others had paid Mr. Scott from time to time to keep him quiet and that he (Mr. Thorpe) had been involved in, or knew party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

**Beirut deputies support bid to oust President Franjieh**

BY HSAN HIJAZI

THE SITUATION in Lebanon to-night is one of complete political and military deadlock.

President Suleiman Franjieh refusing to heed both parliamentary demands for his resignation and a threat of military action to remove him.

Brig-Gen. Abdel Aziz al-Ahhab, who on Friday proclaimed himself provisional military governor of Lebanon, warned to-night that although he knew violence meant there would be victims, "the man who stood against the wishes of the people must bear full responsibility for the consequences."

President Franjieh refused to resign despite a call on him to do so by 74 Deputies, three-quarters of the Parliament.

He was reported to have said privately to visitors: "If they want me out, they will have to carry me out."

Today, he refused to receive the petition by the Deputies asking him to resign. This was considered by the Deputies as an outright insult to Parliament.

Troops loyal to Mr. Franjieh, and backed by Right-wing militiamen, yesterday seized control of the garrison at al-Fayyadiyah located outside Baabda on the main Beirut-Damascus highway. The move was by Col. Antoine Barakat, who, like Franjieh, is a Maronite Christian, hailing from the President's home town of Zgharta in the North.

Loyalist Christian forces are also in control of the big garrison at Serba and the nearby Navy base at Jounieh some ten miles north of here.

However, all the garrisons in South Lebanon and three in the north have fallen to the army rebel movement led by Lt. Ahmed al-Khatib and which is self-styled "the Lebanese Arab Army." Several garrisons in the Beirut area have also fallen to the rebels.

These are separate from the "Corrective Movement" led by Brig-Gen. al-Ahhab.

Lt. al-Khatib declared support to Gen. al-Ahhab's bid to bring Franjieh down, but insisted that before he joins hands with him, Gen. al-Ahhab must endorse the reforms demanded by the "Lebanese Arab Army."

These mainly call for restructuring the Lebanese Army on a new foundation and devoting the military energies to the confrontation with Israel.

**Sympathetic**

Gen. al-Ahhab said he was seeking co-ordination with al-Khatib, and political sources reported that Left-wing leader Kamal Jumblatt was trying to bring them together.

According to informed Press quarters, several fighter planes stationed at the airbase of al-Qolaiat in the North have been fuelled for possible action against the presidential palace at Baabda and the nearby Fayyadiyah garrison.

The Qolaiat base had fallen to al-Khatib's men last week.

Al-Khatib was also reported to be besieging the main airbase at Rayak in the Bekaa valley 35 miles east of here. The airbase at Beirut airport is still neutral and follows the General Army Command under Major General Hanna Saad-J, the commander in chief. The General Command, though sympathetic with al-Ahhab, has not taken sides in the conflict.

The Left, under Mr. Jumblatt, have warned if Franjieh does not resign, "the revolution will continue for our complete control of power. Press reports said the Left would then form a Provisional Government and call for Arab recognition."

The Right-wingers are still siding with Mr. Franjieh. Camille Chamoun, the Interior Minister in the Cabinet of Premier Rashid Karami, backed Franjieh's refusal to resign and urged the military to go back to their barracks.

Pierre Gemayel, the leader of the Phalangist Party, said he and other Phalangist deputies would sign the petition calling on Franjieh to resign only if the latter agrees to quit willingly.

Informed sources expressed the view that Mr. Franjieh, Mr. Chamoun and Mr. Gemayel felt the President's resignation would create a power vacuum which the Left might try to fill and impose their reign on the country.

Our Tel Aviv correspondent writes: Israel would be obliged to intervene in Lebanon if the Syrian Army entered that country, or if the situation in the Southern border region adversely affected Israel's security. Defence Minister Shimon Peres said in Tel Aviv. But any other development would be considered an internal affair which did not involve Israel.

Events are moving inexorably, however, towards settling the issue by the end of April.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

It had also been claimed that the Liberal Party, Lord Byss, and others had paid Mr. Scott from time to time to keep him quiet and that he (Mr. Thorpe) had been involved in, or knew party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

Mr. Margaret Winfield, the party president and other senior members of the party, are expected to attend the Commons on Wednesday and have purchased of the letters for arranged another meeting for Saturday to discuss the practical arrangements for a leadership totally false, said Mr. Thorpe.

**Time runs out for sea law deal**

BY MALCOLM RUTHERFORD

THE UNITED NATIONS Conference on the Law of the Sea resumes in New York today, despite a general awareness that time is running out, there seems little chance of an international agreement this session.

Delegates are already talking about the need for a further session—probably in Geneva—later this year, which would in fact be a make-or-break for the conference.

A number of states are ready to take unilateral action if there is no international agreement by next winter.

Iceland has already jumped the gun by declaring its own 200-mile fishing limits with effect from last October. The cod war with Britain was the result.

Other states preparing to go it alone if there is no agreement in sight include Norway, Canada, Mexico and the U.S. Norway last week handed draft agreements to those countries which have traditionally fished in what will become Norwegian waters—whether by international agreement or by unilateral action.

In the U.S. a House-Senate committee is expected to complete this week on a single Bill extending U.S. fishing limits from 12 to 200 miles. Separate Bills have already been approved by a large majority in both the House and the Senate and the regime for the exploitation of resources beyond the 200-mile zone. It has been declared in a UN resolution that these are

the "common heritage of mankind," but there is a conflict between industrialised countries with the technology to make exploitation economically viable, and the developing countries which want to establish the regime as part of the "new international economic order" which would re-distribute the world's wealth.

There is also a dispute about jurisdiction over the Continental Shelf which affects mainly oil and gas exploitation. Britain would like jurisdiction to extend beyond the Shelf, which covers about seven per cent. of the ocean floor to the outer edge of the Continental margin, which covers about 21 per cent. As on a number of other issues, its position is more in line with that of other coastal states rather than its European Community partners.

Further disputes which could still wreck the conference concern the right of passage and overflight in what will become national waters, and the claims to economic zones by islands and archipelagos.

The New York session is due to run until May 7, but it should be clear well before then whether a further session is required in theory, all participants accept that there must be a package agreement on all issues rather than agreement on some and a decision to leave others till later.

**BANQUE EUROPEENNE DE CREDIT**

**BEC**

Short- medium- and long-term credits at fixed or variable rates in convertible currencies for national and international industrial and commercial investments

Call or write to be direct or through the local Manager of one of our participating banks:

Amsterdam/Rotterdam Bank, N.V.  
Banca Commerciale Italiana  
Credito Italiano  
Deutsche Bank A.G.  
Midland Bank Ltd.  
Societe Generale  
Societe Generale de Belgique

**EUROPEAN CREDIT BANK**  
Own Funds: FF 1,500,000,000 (US \$ 1.7 million)  
Shareholders' funds: FF 4,276,900,000 (US \$ 117 million)

**BANQUE EUROPEENNE DE CREDIT**  
Rue de la Loi 155, 1050 Brussels  
Telephone: 535.11.11  
Telex: 2060  
Rue de la Loi 155, 1050 Brussels

مكتبة النحل







By the Financial Times Monday March 15 1976

United Kingdom

Savages

by B. A. YOUNG

Festival Hall

Mahler's Second Symphony

by MAX LOPPERT

Guildhall School of Music

The Finishing School

by ELIZABETH FORBES

Christopher Hampton's play, *Savages*, is a... (text continues)

Patrick Allen and Marcello Romeo

Last night's *Resurrection*... (text continues)

Francesco Enriele Ernani... (text continues)

/ictoria Theatre

Gary Glitter

ANTONY THORNCROFT

popular music is a little... (text continues)

Elizabeth Hall

ECO/Mackerras

by RONALD CRICHTON

A feature of summer music-making on South Bank is the... (text continues)

Festival Hall

The Hallé

MAX LOPPERT

Annie Fischer returned to the... (text continues)

Guildhall School of Music

Tamás Vásáry

by DAVID MURRAY

Tamás Vásáry is a Chopin... (text continues)

Burlington House to open private rooms

Old Burlington House, the home of the Royal Academy of Arts, will re-open its private rooms to the public from Wednesday, March 17, putting the Michelangelo Tondo on view once more.

e/Angela Flowers Gallery

Nicholas Pope & Patrick Hughes

by WILLIAM PACKER

ever inclined to take risks, or at least the resting and enterprising... (text continues)

Manufacturers Hanover in Tehran.

A major world bank in a major part of the world.

Iran plays an important and growing part in the world of international trade and finance. This new office of Manufacturers Hanover brings one of the world's leading international banks to the center of that growth and expansion. And it provides a vital link in Tehran to the global services of Manufacturers Hanover offers to corporations and banks around the world.

Contact: Mr. Edward W. Russell, Representative 55 Kakh Shomali Tehran, Iran Telephone: 893947 Cable: MANTRUST TEHRAN

MANUFACTURERS HANOVER



## Price and wage figures pose new gauge for official policies

BY MICHAEL BLANDEN

THE PUBLICATION this week of new figures for retail prices and for the level of wage rates and earnings will further test the success of the Government's counter-inflation policy.

So far, the 26 pay limit has been generally observed in wage negotiations. It has begun to make a marked impact on the level of earnings, which responds to such restraints more quickly than the less sensitive wage rate indicator.

This success has led to growing confidence in the Government that it is on target in its aim of cutting inflation to around 10 per cent.

But some signs of concern about recent increases in earnings were apparent in last week's Bank of England Bulletin. It was suggested that the figures may not be as low as the 26 limit should have produced.

The Bank stressed the need for further restraint after the current pay policy period ended, suggesting that it would be reasonable to aim to halve the inflation rate again, to around 5 per cent, next year.

In December, the level of earnings was supported by overtime working. But the increase over the previous 12-month period was reduced again to 19.3 per cent, lagging further behind the 24.9 per cent rise in retail prices over the same period.

**Upturn**  
January figures, to be released on Wednesday, may show a temporary upturn in the earnings comparison because of the exceptional circumstances a year before, which produced a fall in the earnings index. Nevertheless,

it is expected that the rate of increase in earnings will continue to slacken, while wage rates will show a down-trend in months to come.

The level of retail prices will continue to be affected for a while by the impact of high seasonal food prices—particularly the effects of the potato shortage. These factors will influence the February figures, due on Friday. Nevertheless, the rate of price inflation over the second half of last year was roughly halved from the level in the first six months.

Further support for the now generally accepted view that the U.K. economy has started to turn up from the bottom of the recession will also be looked for in the February retail trade figures, due to-day, and to-morrow's industrial production index figures for January.

## Bank chief attacks State control

BY MICHAEL BLANDEN

PLANS FOR further public ownership in industry or finance, including the nationalisation of the clearing banks, are "entirely irrelevant to our present situation," says Sir John Pridemore, chairman of National Westminster Bank.

In his annual report to-day, he argues that the banks and other financial institutions are poised to provide the finance needed to support economic recovery. But to continue the gradual improvement which is beginning to emerge, he suggests, the Government has to avoid "ill-considered legislation" and ensure that it has the support of a united nation.

In relation to the banks, Sir John says, advocates of nationalisation "have produced no arguments to show how it increases ability to provide industry with medium-term finance or how it can meet the criteria of increased confidence, better employer/employee relationships and improved efficiency and standards of service."

Though demand for loans has been depressed in the past year, the chairman says, the bank has continued to give priority to financing creditworthy customers, both for working capital needs and for capital expenditure.

The group "has entered into

substantial medium-term commitments to industry and we are determined to maintain a flexible approach to industry's requirements to ensure that we can play a full part in the country's economic recovery."

Against the background of recent concern over institutional support for industry and the plans to establish a new "equity bank" in the City, the chairman says that National Westminster, together with other institutions, "is ready to provide industry with the necessary financial resources for a sustained recovery, with particular emphasis on investment and exports."

He remarks that there are now clear signs of a gradual improvement in the U.K. economy, though the economic upturn will be slower than in other industrial countries and unemployment may continue to increase during much of this year.

Sir John maintains that the Government's own deficit remains a problem, needing to be brought under control fairly quickly "so as not to crowd out the private sector's financial requirements."

For the economic recovery to be firmly based, he says "it is important that the progress of the fight against inflation is maintained."

## New group for self employed

A NEW national association has been established for the self-employed, including small businessmen and retail traders, and aims to recruit 25,000 members by the end of 1976.

The Independent Small Businessman and Retail Traders' Association will carry out two specific functions: the provision of cost-saving services and facilities, and the projection of a corporate voice for its members.

Accounting, business aid and insurance services will be offered.

The principal objective of the association this year will be the introduction of a "proper earnings-related scheme allowing the self-employed community to enjoy the full benefits of pensions, social security and unemployment provisions through a revised national insurance contribution plan."

A further objective will be to ensure that the 8 per cent tax surcharge levied on self-employed people is repealed.

A management committee has been formed and Mr. Frank Bywater is to be the first general secretary. The association's headquarters is at 56, Westway Hill, London, S.E.19.

## Fred Olsen, Seaspeed in Arabia link plans

BY JOHN WYLES, SHIPPING CORRESPONDENT

A JOINT organisation aimed at expanding roll-on/roll-off services to Saudi Arabia and elsewhere in the Middle East has been formed by Fred Olsen and Seaspeed Ferries.

The monthly sailings from Felixstowe, Rotterdam and Antwerp will increase to fortnightly, while a service every 20 days to Dammam, Saudi Arabia, will be started in April.

In addition to trailers and wheeled vehicles the new service offers to handle containers, loose conventional cargoes and large loads of up to 350 tons.

Other ro-ro services to Saudi Arabia are run from the U.K. by Argairis Line and Waco Lines.

This continues under the new organisation, which starts on April 1 as Fred Olsen Seaspeed Ferries.

The monthly sailings from Felixstowe, Rotterdam and Antwerp will increase to fortnightly, while a service every 20 days to Dammam, Saudi Arabia, will be started in April.

In addition to trailers and wheeled vehicles the new service offers to handle containers, loose conventional cargoes and large loads of up to 350 tons.

Other ro-ro services to Saudi Arabia are run from the U.K. by Argairis Line and Waco Lines.

## 'No way out of deficit' for independent Scotland

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. EDMUND DELL, the Paymaster-General, in an outspoken speech on Saturday, met head-on the claims of the Scottish National Party that an independent Scotland would have a sufficient industrial base to survive as a separate economic unit with or without North Sea oil.

He told a rally of West Lothian Labour Party: "Even on the unlikely assumption that all the oil went to Scotland there is one advantage from North Sea oil of which England cannot be deprived. That is relief from the cost of covering Scotland's enormous and perennial balance of trade deficits."

Mr. Dell cited research completed at Dundee University which, he said, demonstrated that over the period 1961-71 Scotland suffered a trade deficit in her goods and services of about 10 per cent of her gross domestic product, a figure three times that of the highest recorded for the U.K. as a whole in the same period. Scotland's present deficit might be even larger.

A strong Scottish pound, one of the benefits of independence

frequently proclaimed by SNP spokesmen, would leave Scottish industry even less competitive than at present, causing massive unemployment in the industrial areas and an even larger trade deficit to be financed by oil revenue.

"The benefits of the oil would be disappearing with even greater speed than they seem recently to have disappeared from the grasp of some of the new oil-rich OPEC countries," he said.

Mr. Douglas Crawford, SNP spokesman on finance and industry and MP for Perth and East Perthshire, poured scorn yesterday on what he took to be Mr. Dell's suggestion that a strong currency was to be avoided and a weak one profoundly to be desired.

"This is an astonishing statement to make at a time when informed banking sources expect the pound sterling to be down to \$1.60 by the autumn. Any temporary gain on the exports swing will be lost on the import merry-go-round," he said.

## Call on Callaghan to stop mercenaries for Smith

MR. JAMES CALLAGHAN, the Foreign Secretary, is to be asked to act immediately to halt the reported movement into Rhodesia of British mercenaries.

Mr. Gwyn Roberts, Labour MP for Cannock, said yesterday: "I shall be urging him to probe allegations that an under-cover operation to recruit British mercenaries for Rhodesia has begun

in London and South Africa and that former Servicemen are being offered up to £100 a week to help Mr. Ian Smith's forces."

He said he would table Commons questions to-day to this effect, and demand that a strict check be ordered at all airports to ascertain the exact reasons why people were going to Southern Africa.

"I understand that the plan is that they should move out singly or in very small groups, unlike the bands of men who swarmed to Angola some time ago."

"At the height of the Angola business, Mr. Callaghan promised me directly in the House of Commons that he would look at methods of tightening legislation involving British nationals fighting other people's wars."

### SNOW REPORTS

Depth State (cm.) of Weather  
L U P Fair Fair  
Angermail 22 100 Fair Fair  
Flare 70 170 Good Snow  
Gauls 2000 140 180 Good Fine  
St Anon 25 270 Fair Fog  
Verber 25 90 Good Cloud  
Reports supplied by the Ski Club of Great Britain.

SCOTLAND  
Cairnmore—A few main runs complete, others broken. New snow with ice patches.  
Glenelg—Most main runs complete. New snow drifting.  
Glenelg—Most main runs complete. New snow on a hard base.

## Further seat cuts sought on scheduled Atlantic flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. is to seek a further and there is likely to be some British Airways, Pan significant reduction in the hard bargaining between the two scheduled airlines across the sides, with considerable pres- scheduled airlines across the sides, with considerable pres-

North Atlantic this year from next because time is running out. The U.K. pressure for a cut in the number of scheduled airline seats between this country and Washington, Chicago, Detroit, Los Angeles, New York and Boston, stems from the fact that last winter there was a substantial excess capacity, resulting in wasted money and fuel.

In addition to the pressures for cuts in the numbers of scheduled seats offered for sale, the U.K. will be seeking an increase in the number of charter passengers it will be allowed to fly from the U.S. to Britain.

The U.S. in return, will seek U.K. approval of its new type of "charter fare"—the "One-Stop Inclusive Tour Charter" or OTC. This will enable Americans to have a holiday in this country at an inclusive rate for air fare, hotel and ground travel to and from the airports, that will be highly competitive with the normal cheapest scheduled air fare.

All of these are major matters, restrictions on the flights of

port Association's figures show that for the whole Atlantic route between all North American cities, there was nearly 15.5m. seats available on 20 scheduled airlines, of which just under 8.5m. were sold.

These figures showed a reduction on the previous year of nearly 5 per cent in seats offered and 6 per cent in seats sold. The U.K. however, feels that cuts ought to go further, and so it is seeking agreement for U.S. and Europe.

Regarding the charter fare, the OTC is time for Atlantic air passengers to be extensively re-examined. This will be the aim of coming talks.

A number of Continental airlines are known to be in the process of progress of the will probably form part of the U.S. and Europe.

## Lansing Bagnall builds components stockpile

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

LANSING BAGNALL, Britain's major forklift truck makers, is seriously worried about the ability of its suppliers to meet the demand when trade revives and has begun building "a strategic stock" of components.

The company will spend between £1m. and £2m. on the first phase of this programme to take its stock levels to 20 per cent above present requirements during the next three to six months.

Lansing Bagnall has had a series of discussions with its 100 key suppliers which together account for 70 per cent of its total requirements. Some have volunteered to hold the stock themselves.

Mr. Derek Larkins, joint managing director, says that already ten of the group's 800 components suppliers have gone out of business because of the recession.

"The rest of them we know are struggling to survive and they will survive but will emerge with a lower capacity. By talking to the key suppliers we hope to give them the confidence not to cut capacity."

"We know from previous experience about the way shortages of materials can build up, and the industry comes out of the trough and demand builds up," he said.

As the order intake builds up through the year, so the build-up of the strategic stock—and the sum invested in it—will be increased. Mr. Larkins said that the company was fairly optimistic that there would be a revival in trade early next year.

At the moment, the group, which has a turnover of about £50m. and is still privately owned, is working at just over half capacity, with production about one-third of the order intake. There has been little build-up of stocks of finished or partly-finished machines.

With the order book down to 60 days against the minimum of 90 days which the company would normally look for, 370 of the 3,500 workforces are on a four-day working week.

But the company has avoided any compulsory redundancies and is continuing with a five-year expansion programme to raise capacity by about a third by 1980.

## European group formed to test combat aircraft

A EUROPEAN consortium has been set up to produce advanced automatic test systems to support the operation of Europe's multi-role combat aircraft under the terms of a contract awarded by Panavia with Marconi-Elliott Avionic Systems, a GEC-Marconi Electronics company.

The MRCA will be operated by the RAF, the German Air Force, the German Navy and the Italian Air Force.

The contract is believed to provide the biggest potential order for automatic test systems for a single programme outside the U.S. and establishes a com-

petitive European base for the world market in this equipment. The consortium partners are Marconi-Elliott Avionic Systems as prime contractor and programme manager, with Siemens AG of West Germany and Selenia SpA of Italy as the other main contractors.

The deal provides work for all the consortium partners, including sub-contractors. Rohde and Schwarz of West Germany and the British Aircraft Corporation.

The test system will be used by MRCA's operators for testing the advanced avionics systems with which the aircraft is equipped.

### FT CLIPPER

Kriter II beat record set by GI

BY ALEC BEILE

THE FRENCH ketch is well placed to challenge the record for the fastest clipper from Dover, reporting at 1 day that she was 31.29 degrees W.

The record was set by Britain II when she sailed from the Finis clipper race two weeks ago.

Kriter, skippered by Olivier de Ruyter, sailed from Sydney in December, but was held back by a storm, so that she was not able to reach Dover until eight days later.

She re-started 27 days after she left Sydney, but she is now claiming a sailing record for a clipper.

Winds from the west of 20-25 knots reported yesterday in area, 1,600 miles from the coast. They are expected to-day and then will veer southwards. Winds will be perfect as she heads north-east.

During the last week a position, 54 days Sydney, that was same as that of GB 1 same number of days.

### Worrying

No new position has been reached on the D. Green Escape, also this near the Azores.

More worrying, 1 been no reports of radio contact with schooner CS 6 RB 1 last heard of 40 days ago. She left the Falks after a four or five day repair her rigging.

THE FINANCIAL TIMES publishes shipping and maritime news, and is a leading source of information on the world's shipping industry.

# THE COLLECTIVE KNOW-HOW OF THE WORLD'S GREATEST ENTERPRISES REPRESENTED IN RIO GRANDE DO SUL BY BUSINESSMEN FROM 30 COUNTRIES

From 25 to 28 April, 1976, you will have the unique opportunity of contributing your company's knowledge and experience in a top-level international seminar on investment know-how.

The 1ST INTERNATIONAL SEMINAR ON INVESTMENTS IN THE STATE OF RIO GRANDE DO SUL

will have the active participation of the foremost names from Chemical and Petrochemical Industries, from the areas of Metal-Mechanics and Electro-Electronics, from Mineral Resources and Agro-Industries.

Such an eminent gathering of business executives will not be complete without the presence of representatives from your firm.

— I apply for the registration of my firm ( )  
— Please send me further information concerning the participation of my firm in the 1ST INTERNATIONAL SEMINAR ON INVESTMENTS IN THE STATE OF RIO GRANDE DO SUL ( )

NAME: \_\_\_\_\_

FIRM: \_\_\_\_\_

INDUSTRIAL ACTIVITY: \_\_\_\_\_

COMMERCIAL ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## 1ST INTERNATIONAL SEMINAR ON INVESTMENTS IN THE STATE OF RIO GRANDE DO SUL

From April 25 to 28, 1976.

**VARIG**

VARIG BRAZILIAN AIRLINES  
OFFICIAL SEMINAR'S ENTERPRISE

GOVERNMENT OF THE STATE OF RIO GRANDE DO SUL — SECRETARIAT FOR INDUSTRY AND COMMERCE  
Rua Siqueira Campos, 886  
CEP. 90.000 - P. ALEGRE - RS - BRASIL  
PHONE: 25.50.44 25.59.05 21.66.57  
TELEX: 051.1189

These Bonds have been sold outside the United States of America. This advertisement appears as a matter of record.

New Issue

March 10, 1976

¥15,000,000,000

## Asian Development Bank

8.7% Japanese Yen Bonds Due 1988

Fourth Series

Price 100%

The Nomura Securities Co., Ltd.

Daiwa Securities Co., Ltd. The Nikko Securities Co., Ltd. Yamachi Securities Co., Ltd.

The Nippon Kangyo Kakumaru Securities Co., Ltd. New Japan Securities Co., Ltd.

Sanyo Securities Co., Ltd. Wako Securities Co., Ltd. Merrill Lynch International, Inc.

Okasan Securities Co., Ltd. Osakaya Securities Co., Ltd. Yamatane Securities Co., Ltd.

Dai-ichi Securities Co., Ltd. Koa Securities Co., Ltd. Koyanagi Securities Co., Ltd.

Maruman Securities Co., Ltd. Tokyo Securities Co., Ltd. Toyo Securities Co., Ltd.

Yachiyo Securities Co., Ltd. The Chiyoda Securities Co., Ltd. Ichiyoshi Securities Co., Ltd.

The Kaisei Securities Co., Ltd. Marusan Securities Co., Ltd. Meiko Securities Co., Ltd.

Mito Securities Co., Ltd. The National Securities Co., Ltd. Nichiei Securities Co., Ltd.

The Toko Securities Co., Ltd. Toya Securities Co., Ltd.

دولة الكويت



# Give us three days to improve your cash flow.

## DAY 1

Stop-go is currently draining the life out of cash flow.

Customers are ordering less, more often, to maintain lower stock levels.

And taking longer to pay.

We think our Medallion Service can help you ease the situation.

Medallion collects and delivers your goods within working days. Anywhere over 1,000 selected routes.

Guaranteed.

Or your money back.

And as it's fully documented, you can invoice fast, with proof of delivery required.

Dramatically improving your chances of being paid within 30 days. And reducing the credit you're carrying.

The service is reliable and sensible.

And very cost effective: experience frequently shows

## DAY 2

that cash isn't flowing because the goods aren't.

Which is a situation that can't be ignored with distribution costs reaching 30%\* of retail price.

And it makes sense to use Medallion for general as well as urgent deliveries. Because the sooner you deliver, the sooner you can invoice.

Just tick the box in the coupon and we'll send you more details.

While you're doing it, you'll also notice a box marked "National Distribution."

It's there because there might be several other ways we can help turn your cash flow from a trickle into a Niagara.

As the largest freight company in Europe we provide many specialised services.

In France, Germany, the Netherlands, Belgium, Luxembourg and Eire, as well as Britain.

With around 7000 vehicles, 100 depots in strategic positions, and 3½ million square feet of warehouse space.

It's an unequalled combination of resources and experience.

What's more, it's flexible.

And if our existing services don't suit your needs, we'll tailor you new ones that do.

Because we understand that as good as your products are, they're no good until you get them to the customer.

Why not find out more?

Fill in the coupon now: all you've got to gain is an improved cash flow.

\*The Director.

To: Mr Alan Baker, National Carriers Limited, NCL House, 21A John Street, London WC1N 2BX.

I could certainly use an improved cash flow.

Please send me more information about:

Medallion 3 day service. ☐ National Distribution. ☐

Export. ☐

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

FT 153



## National Carriers

A MEMBER COMPANY OF THE NATIONAL FREIGHT CORPORATION  
NCL House, 21A John Street, London WC1N 2BX.

## DAY 3



# The Office World

EDITED BY JOHN ELLIOTT

Roy Levine examines the profits fall at Rank Xerox

## Changes among the copiers

TO MANY people outside the company, Rank Xerox appears to have come to the end of an era when it had almost all the copier market to itself and was applauded for its consistently high growth rate. There are now well over 20 companies selling copiers, including IBM which announced its latest range last week.

This competition has increased at a time when demand for copiers has slackened as a result of the economic recession. As if this was not enough, Rank Xerox has been the subject of government investigations both in the U.S. and here in the U.K. by the Monopolies Commission which is expected to report around the middle of the year.

But to Mr. Maldwyn Thomas, chairman and chief executive, these are merely transitory problems and the first ever profits decline last year, from £182m. to £153m., was a temporary hiccup. He predicts a marginal rise in profits this year, after which he expects to see the former profits growth rate averaging 15 per cent. per year re-established. This is despite an underlying growth in copiers of only 10 per cent. a year against growth rates of between 15 and 20 per cent. in previous years.

Although the use made of copiers has remained surprisingly stable in the current recession, machine installations have declined because users have stalled in getting new equipment or have switched to competitive and often cheaper products. If anything, the market has become overcrowded so that companies have been reluctant to raise their prices, despite inflation. Rank Xerox was an exception when it put its rental prices up by 10 per cent. late last year.

The one trend that Rank



Mr. Maldwyn Thomas, Rank Xerox's chairman.

markets, there are more exciting prospects in some of the new products. Most important of these is the Xerox 9200 model.

A great deal has been written about this product but not everyone agrees about its prospects. Mr. Thomas reckons that after initial resistance the product is being well received, and he expects to place over 1,000 this year and to get profits from it after 18 months. By 1979, he says, it could contribute about £150m. in revenue, over a fifth of Rank Xerox's total.

It would be surprising if the market penetration proved to be that easy. The 9200 is aimed at the internal printing opera-

tions of companies. This is dominated by the offset printing process, still a relatively cheap and certainly high-quality system. The only advantage the 9200 can provide is its speed and very productive collating unit. But one needs to pay a high premium for these benefits, and only the bigger companies can afford to do so.

Outside estimates for the 9200 vary from only 600 installations this year to 750 and increasing to about 5,000 in 1979. Revenues by then could be between £60m. and £120m. a year. While these figures are significant, they may not be enough to bring Rank Xerox to its former growth rate. While therefore there can be some uncertainty about whether Rank Xerox will ever again reach and maintain its previous growth rates, there is little doubt about its present decline in profitability—the 6 per cent. profits fall last year contrasted strongly with a 27 per cent. rise in turnover.

For the first time, the company has embarked on a major belt-tightening operation. At its largest U.K. factory, employees have been slashed by about 10 per cent. to around 4,000 by a programme of voluntary redundancies. A similar programme is currently in operation at its plant in Holland. Headquarters staff in the U.K. has been similarly slimmed by a tenth to about 600 people and many operations have been decentralised.

Another move the company has made in response to a weakening market has been to restructure its rental prices. The new graduated price plan gives bigger discounts for higher copy volume—a move that makes sense at a time when customers are increasing the use of a copier rather than renting a bigger machine.

The next stage will be the Monopolies Commission report, due around the middle of the year.

In many ways the investigation, now complete, has been overtaken by events. Rank Xerox is clearly no longer in a totally dominating position in the copier market, even though it is technically in a monopoly position, having more than a 25 per cent. share.

Unlike American practice, the U.K. Monopolies Commission will only condemn if the existence of a monopoly is reckoned to be against the public interest. With direct exports of some £68m. as well as other overseas earnings, the Monopolies Commission may not want to condemn Rank Xerox too harshly.

Apart from heightened competition, the sting has been taken out of the situation by the consent decree issued against Xerox Corporation, by the U.S. Federal Trade Commission. This forced Xerox to share its patents with competitors worldwide.

Rank Xerox itself has anticipated the U.K. Monopolies Commission report by making its patents available for outright purchase as well as rental. So far only 2 per cent. of revenues is from sales. This leaves the decision of whether the Monopolies Commission should force Rank Xerox to unbundle its pricing policies.

In effect, this would make the company give separate quotes for servicing. This would provide opportunities for other companies to compete in servicing Rank Xerox's machines sold in the market-place, but is not likely to hurt Rank Xerox, as indeed a similar decree against IBM seven years ago did little damage to that company.

## A microfilm store for computer data

ONE OF the problems of using computers is how to disseminate the information stored on magnetic discs. To use paper reels is costly, bulky to store and expensive to post.

Furthermore, the transfer of information from the discs to paper using a printer is slow in relation to the speed of the computer itself. A printer can also only produce four copies at a time so that, if more than four are required, they must be copied or printed again.

Many of these problems can be overcome by the use of a U.S. process called "computer output to microfilm"—COM. This is a process of rapidly putting information processed by a computer directly on to microfilm without the need for an intermediate stage of printing on paper.

COM equipment is manufactured by over 15 companies in the U.S. and Europe. It requires a recorder, film processor and duplicator and a reader at each point where the information is needed.

The biggest users of COM in the U.K. are the financial institutions, which keep volumes of information in computers requiring continual updating for their branches. Many banks and building societies use COM for branch or customer accounts. When the customer requests a copy of his account, a copy can be produced on the microfilm reader.

The Allied Irish Banks recently set up a Bell and Howell COM system for branch accounts. It cost £130,000 including two recorders, processors and duplicators and 250 readers of microfilm sheets—known as fiches.

The system provides quicker retrieval of information at the bank's branches because, instead of having to page through reams of computer stationery, the local branch staff can locate the relevant microfiche (which is indexed) and read off the required facts on the reader.

Apart from the convenience factor, the bank is saving on overheads because it expects to have paid for its original installation within two years from the savings on paper, space and postage.

For example, cost of producing the equivalent of 1,000 pages of information is 12p per copy after the master sheet has

been made for 25p. Against that, the cost of continuous stationery is £4 per 1,000 sheets—more than 30 times as expensive.

Savings can be made in postage, too, for it costs only 8p to send the equivalent of 1,000 pages which are contained

in a few microfiches: the paper weight of that would be 16½lb. costing £4.54 first class or £1.26 by parcel post.

The savings in space comes from the fact that a page of information on microfilm takes up a fraction (as little as 0.3 per cent.) of the space needed for the same information on paper.

Midland Bank has a similar system to the Irish banks for its 2m. customer accounts as well as for its payroll, staff records, registrar department and its money market records.

In line with Midland policy, it has rented the equipment and derived the benefit of being able to update it at little extra cost. At a time when the technology is developing quickly—as it has over the past three years—this is an important consideration.

The decision of whether to have one's own COM operation



Details of customer accounts contained on a computer disc (top right) are converted to human form and then photographed on microfilm (bottom left) on this Datagraphix computer-output microfilm (COM) recorder at the Midland Bank computer centre in London.

puter itself can be used to organise and index the information before it is filmed. Alternatively, a tape can be produced by the host computer and reorganised on a mini-computer linked to the COM recorder.

COM deals with the conversion of computerised information into human-readable form. But there is also a need to convert large paper files for use by computers, so that the information can be edited and disseminated.

This can be done using a process called "computer-input from microfilm" (CIM) which converts human readable information into digital form. There is so far only one machine on the market, however, because

it is owned by the Gov. and is being used to study at the Department of Health and Social Security's Newcastle pension department.

There, over 1,000 clerks are sifting in to go straight into the computer, thus eliminating "punch operators" and if the test is successful, may be able to eliminate the clerical staff of other departments.

The ultimate value of the technology is the "terrologer of the computer" information—specific computer code can recognise written code, access to fact in the computer instant.

ROY LE

CIRCULATE		
POSITION	INITIAL	DATE
MANAGING DIRECTOR	SER.	MON. 5TH.
FINANCE DIRECTOR	J.F.F.	MON. 5TH.
SALES DIRECTOR	S.T.	TUE. 6TH.
COMPANY SECRETARY	R.C.	6/1/76
MARKETING MANAGER	J.W.	WED. 7TH.
CHIEF BUYER	R.A.S.	THURS. 8TH.
PERSONNEL OFFICER	B.R.D.	FRI. 9TH.

## How to miss opportunities

Every department of every business needs the Financial Times—daily. Because they all need up-to-the-minute business intelligence.

Circulating one or two copies just isn't enough. That's why all departmental heads and key employees should have their own copies of the Financial Times.

In these competitive times everyone in business needs the Financial Times

## Airline computer work

BY KENNETH RANDALL, IN CANBERRA

THE CONTRACT to install and maintain computers for British Airways won by the Australian company Data Processing Customer Engineering (DPCE), a subsidiary of The Dier Computer Corporation, is expected to commence in July and be fully operational by November.

DPCE will be responsible for total maintenance and installation of the airline's IBM computers at Boadicea House, Heathrow, and the maintenance of three operating Univac computers in West London.

The British Airways contract, announced ten days ago, is DPCE's largest move into overseas operations, although it already maintains the Philippines' largest computer installation. DPCE has done a similar job for Qantas, the Australian airline, in recent years, although the hardware combination there is IBM-Honeywell. British Airways is the company's first Univac contract, even though

most of the company's founders originally came from Univac.

There are now 60 employees in Australia, many of them with U.K. backgrounds. A DPCE spokesman said that the British Airways contract would be run by a London-based staff of about 26, most of whom have already been contacted, if not signed up.

"We are exporting the management expertise for the project from Australia but without reducing our level of activity here," he said. "Most of the London staff will be from European sources." Apart from Qantas, DPCE's Australian clients include Ansett Airlines, Texas Instruments, Reader's Digest, and Goodyear, and Adams, a major survey organisation.

## Electronic typewriter

BRITISH OFFICES invest an average of £550 an employee on equipment, less than half the U.S. level, according to Mr. Michael Holt, president of Ventek International, the Canadian computer company. Yet offices often account for nearly half total overheads in a business, he says.

Mr. Holt made his remarks at the launch last week of a new text editing system designed to produce letters, reports, and other texts using a computer. Typewriter keyboards and visual display units. The system is called Wordplex and will be marketed by the U.K. subsidiary, Ventek.

Letters and reports typed on the keyboard appear on the visual display unit which makes it easier to edit and amend. Once the copy is perfect it can be stored in the mini-computer which has a capacity of up to 75,000 normal pages.

When the letter or paragraph needs to be reproduced it can be printed at various speeds of up to 800 lines a minute depending on the quality required.

Texts produced in this way in an office that has a high volume of correspondence or reports can be much cheaper than those produced on a normal electric typewriter.

But the equipment is expensive, varying from £4,500 to £7,000 for each keyboard and visual display unit depending on the number required.

## Notice of Redemption Copenhagen Telephone Company, Inc.

(Kjobenhavns Telefon Aktieselskab)

9% Sinking Fund Dollar Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 1, 1970 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn by lot, for redemption on April 15, 1976, through the operation of the sinking fund provided for in said Indenture, \$674,000 principal amount of Debentures of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000. PRINCIPAL AMOUNT OUTSTANDING	
33	485 1117 1673 2173 2688 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
44	461 1157 1662 2188 2693 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
45	483 1142 1684 2199 2703 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
59	444 1143 1702 2236 2741 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
61	486 1152 1709 2242 2746 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
71	624 1159 1710 2246 2747 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
104	626 1161 1711 2247 2748 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
111	628 1162 1712 2248 2749 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
117	630 1164 1714 2250 2751 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
156	729 1231 1741 2257 2756 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
159	748 1250 1749 2258 2759 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
210	754 1257 1751 2260 2760 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
211	756 1259 1753 2262 2762 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
227	757 1260 1754 2263 2763 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
230	759 1262 1756 2265 2765 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
231	760 1263 1757 2266 2766 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
232	761 1264 1758 2267 2767 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
233	762 1265 1759 2268 2768 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
234	763 1266 1760 2269 2769 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
235	764 1267 1761 2270 2770 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
236	765 1268 1762 2271 2771 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
237	766 1269 1763 2272 2772 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
238	767 1270 1764 2273 2773 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
239	768 1271 1765 2274 2774 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
240	769 1272 1766 2275 2775 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
241	770 1273 1767 2276 2776 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
242	771 1274 1768 2277 2777 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
243	772 1275 1769 2278 2778 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
244	773 1276 1770 2279 2779 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
245	774 1277 1771 2280 2780 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
246	775 1278 1772 2281 2781 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
247	776 1279 1773 2282 2782 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
248	777 1280 1774 2283 2783 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
249	778 1281 1775 2284 2784 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
250	779 1282 1776 2285 2785 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
251	780 1283 1777 2286 2786 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
252	781 1284 1778 2287 2787 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
253	782 1285 1779 2288 2788 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
254	783 1286 1780 2289 2789 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
255	784 1287 1781 2290 2790 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
256	785 1288 1782 2291 2791 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
257	786 1289 1783 2292 2792 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
258	787 1290 1784 2293 2793 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
259	788 1291 1785 2294 2794 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
260	789 1292 1786 2295 2795 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
261	790 1293 1787 2296 2796 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
262	791 1294 1788 2297 2797 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
263	792 1295 1789 2298 2798 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
264	793 1296 1790 2299 2799 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
265	794 1297 1791 2300 2800 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
266	795 1298 1792 2301 2801 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
267	796 1299 1793 2302 2802 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
268	797 1300 1794 2303 2803 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
269	798 1301 1795 2304 2804 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
270	799 1302 1796 2305 2805 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
271	800 1303 1797 2306 2806 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
272	801 1304 1798 2307 2807 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
273	802 1305 1799 2308 2808 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
274	803 1306 1800 2309 2809 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
275	804 1307 1801 2310 2810 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
276	805 1308 1802 2311 2811 3243 3846 4659 5390 5827 6301 6789 7238 7859 8318 8963 9511
277	806 1309 1803 2312 2812 3243 3846 4659 5390 5827 6301 6789 7238



# Sadat breaks off 15-year Soviet friendship treaty

MICHAEL TINGAY

CAIRO, March 14.

President Anwar Sadat today announced the breaking off of a 15-year friendship and co-operation treaty between Egypt and the Soviet Union. In a speech to the People's Assembly, Mr. Sadat presented the move as a necessary step in the process of normalising relations with the West.

Mr. Sadat said the treaty, signed in 1955, had become an obstacle to the development of Egypt's relations with the West. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

The move was seen as a major step in the process of normalising relations with the West. It was also seen as a sign of the Egyptian Government's determination to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

Mr. Sadat said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries. He said the treaty was not in line with the new policy of the Egyptian Government, which was to develop friendly relations with all countries.

## Refugees gather on Egypt-Libya border

CAIRO, March 14.

THE EGYPTIAN Army has hastily pitched tents in the desert to shelter thousands of Egyptians streaming across the border after their expulsion from Libya, officials said here today.

A special train was heading for Salum, a barren frontier post, to bring back some of the refugees expelled on orders of the Libyan leader, Colonel Muammar Khadaffi.

So far, 6,618 Egyptians, including women and children, are reported to have been expelled. At Salum, they have been housed in tents.

The semi-official Al-Ahram newspaper quoted arrivals in Salum as saying that 20 more Libyans loaded with Egyptian refugees were heading for the border.

The mass exodus is in retaliation for the arrest of 27 Libyans, alleged to have been sent last week to kidnap or assassinate two senior Libyan officials who took refuge in Egypt several months ago.

On Tuesday, another train will go to Salum, about 410 miles west of Alexandria, to pick up more of the refugees. Every available vehicle has been sent across the desert from Alexandria with food.

The desert storms have forced shutdowns at all Egyptian harbours and airports as well as of navigation in the Suez Canal.

The verbal war between Egypt and Libya has cast doubt on the future of the loose federation of Arab Republics, which involves Syria along with the Libyans and Egyptians. But officials in Cairo said Egypt is unlikely to adopt any measures which might break the federation.

The federation's parliament was due to hold a new session yesterday, but this was postponed indefinitely because Syria's 20 members failed to show up.

Recent surveys suggest that

assumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

## Suspension of Ford aide is little threat to campaign

BY JUREK MARTIN, U.S. EDITOR

CHICAGO, March 14.

THE SUSPENSION of Mr. Howard "Bo" Calloway from his post as President Ford's campaign manager, because of possible conflict of interest charges, ought not to damage the President's election chances, in the view of his political advisers.

The Democrats too, have a new factor in their race to assess this week-end—the announcement by Mr. Jerry Brown, the popular young Governor from California, that he will be running in his home State's presidential primary in early June as a "favourite son" candidate.

The suspension of Mr. Calloway follows reports that, while Secretary of the Army, he had exerted improper influence with other parts of the Government in order to secure extra federal land grants to enlarge a ski resort in Colorado in which he is the biggest shareholder.

The potential danger in this affair to Mr. Ford is obvious: this is the first allegation against any of his aides of the kind of behaviour associated with the Watergate and related scandals.

It seems doubtful that the affair will have much impact on voting in the Republican primary in Illinois on Tuesday. Mr. Ford is expected to win a handy victory, thoroughly denting the hopes of his right-wing challenger, Governor Ronald Reagan. Indeed, Mr. Reagan wryly observed yesterday that he thought Mr. Calloway's departure would hinder rather than help him, since he would no longer be able to draw any benefit from Mr. Calloway's ineptness.

This is also the view of the Ford camp, which feels that it

there are a number of Third World countries—particularly in Africa and Latin America—which may have extensive oil deposits but have been unable properly to look for them because of a lack of capital.

But Bank sources are anxious to stress that much more work has to be done before even tentative proposals about ways in which the organisation might help can be forthcoming. Apart from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

## New gains for French Left test Giscard

By Rupert Cornwell

PARIS, March 14.

FRANCE'S Socialist and Communist Left has underlined its steadily growing appeal by making further gains in today's second round of the nationwide cantonal elections.

Boosted by a turnout expected to top last week-end's near-record first round showing of some 65 per cent, the Left appears to have captured control of up to 11 departments, whose regional councillors were up for election today.

With some 90 per cent of the basic results in, the Left had improved its position to win 840 of the cantons, against 861 for candidates representing the ruling coalition of President Valéry Giscard d'Estaing.

In the struggle for seats, some notable heads rolled, including that of the present Transport Secretary, M. Marcel Cavallé, in his constituency of Toulouse. However, the left-wing alliance failed to bring off some of the more spectacular successes that its supporters, at least, had hoped for.

In addition there were distinct rumbles of discontent, particularly from the Communists, that the Socialists had not played by the rules of the alliance in supporting a Communist in the second round—a potential squabble that could herald new tensions within the Union of the Left.

A fresh proof of the Opposition's popularity is the fact that the President needs in what is probably the most uncomfortable period of his 22-month-old Presidency.

He is facing an acute dilemma over the franc, in whose defence the Bank of France has spent some \$3bn. since January to hold a party with which the markets increasingly disagree. At the same time a proliferation of public sector strikes over pay show that the unions are again flexing their muscles after a long period of quiescence.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

A study released last month by the U.S. Geological Survey from anything else the Bank suggested that Latin America is well aware that it must tread warily if it is to avoid problems "sleeping giants" whose potential oil reserves have scarcely been tapped.

Recent surveys suggest that

not to be seen to be in competition with either group.

The possibility that the Bank might be able to provide special petroleum development assistance loans would obviously be very attractive to those developing countries whose balance of payments and economies would benefit enormously were they to discover oil.

## CE forecasts 3% growth

DAVID EGLI

GENEVA, March 14.

EUROPEAN economies, compared with 5 per cent in the 1960/73 period, are at about 10 per cent. Their capacity, at a where sustained recovery stagnation hangs in the air, according to the United Nations Economic Commission for Europe (ECE).

On the forecasts, the ECE says on Western Europe, that growth this year will not be more than 3 per cent.

To meet these forecasts, the survey warns, some additional fiscal and monetary stimulation may be necessary. As much attention, it is suggested, should be paid to the risks of a further recession following a short recovery, or of a prolonged period of stagnation, as is currently devoted to the risks of continuing inflation.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and the slow-down in the rates of growth of money wages may mean a decline in the rate of increase of real disposable income at least in France, Germany and Britain.

The behaviour of private con-

sumption is one of the big questions related to potential economic recovery this year, the ECE says. Redistribution of income in favour of wage-earners, and expansive fiscal policies, helped sustain demand in 1975. But increased savings as a "hedge" against unemployment, and



## THE JOBS COLUMN

## Varsity: Accountants again

BY MICHAEL DIXON

REGULAR JC READERS may remember Bill Kirkman, head of the careers advisory services at Cambridge University, because once or twice in the past he has eased my labour by writing this column himself.

He is now looking for someone to succeed Colonel K. N. Wylie as senior assistant when he retires in September. The prime need here—to my mind, at least—is for someone with up-to-date industrial experience able to hob-nob with graduate-recruiters and understand their needs, particularly in the engineering industry.

But, since the main job is to help students to make career decisions, the recruit will need a sensitive as well as a sensible appreciation of the student mentality. Another need is ability to maintain good relations with the university's engineering department.

The salary scale is £4,800-£6,878, but this could be reduced if whoever gets the job also receives money (the university prefers the word "emoluments") from one of the Cambridge Colleges as the result, for example, of holding a fellowship of one of them.

Inquiries to Bill at the Cambridge University Appointments Board (6 Chaucer Road, Cambridge CB2 2EE—telephone 64851).

NEIL MACMILLAN of the MCS group, which owns The Personnel People specialist executive-recruitment consultancy, is getting ready to

start another one in the City of London called The Accountancy People.

He would like to hear from experienced consultants who can show that they are dab hands at finding and placing accountants in jobs in commerce, industry and the professions. (I didn't realise that accountants had to be found: my difficulty has always been to find enough space between them.)

Pay around £6,000. Profit-sharing. Car. Board seat to be earned quickly. Applications to Mr. Macmillan at 72-74, Brewer Street, London W1R 4DA—telephone 01-34 1253.

THE LAST time this column included jobs offered through Professional and Executive Recruitment, I'm told that a reader started in one of them the following Monday morning.

Which encourages me. So here are four more. Inquiries by telephone to the PER consultant named.

Tony Smith (Maidstone 67611) is the first one, working on behalf of the international welding group, ESAB. Two people are wanted. One is a 35- to 40-year-old graduate engineer with at least five years in production with a machine-construction concern to work with ESAB as a production planning manager. The other will be a regional sales manager for West Europe, based near Frankfurt. The preference here is a French-speaking 30- to 40-year-old with a business school back-

ground, technical understanding, and sound experience in sales of investment goods. Salary for both is around £9,500.

Next we have Stuart Greenman (01-235 7030, extension 227) looking for a chemical trader on behalf of London-based M. W. Hardy. Dealing mainly with big manufacturers who use pharmaceutical materials, the newcomer will probably have experience to merchandising similar materials, and a knowledge of French and/or German. Salary about £8,000. Profit-sharing. Car.

Martin Chapple (also 01-235 7030, but extension 312) is handling a job in Qatar as a project manager on the scheme there for producing gas, and a 120-kilometre pipeline presumably to take the gas to industrial plants elsewhere. The need is for a chartered engineer with experience of gas wellhead plant. Salary is a local-tax-free £11,000. Passage, car, and furnished family accommodation provided.

That being said, I'll stop for this week and let my colleague Michael Lafferty get a few words in. He writes:

I HEAR the Institute of Chartered Accountants in England and Wales is recruiting several staff for its technical and other departments. The accountancy profession, and the English ICA in particular, has lately taken on an increasingly important public role, particularly in the field of standardising accounting principles.

But the latest developments have been in the area of auditing standards where the Institute has come under considerable criticism as a result of the London and County affair.

The result is action on three fronts: an Auditing Practices Committee has been set up to lay down minimum auditing standards; more attention is being paid to companies who fail to follow accounting standards, and auditors who come under criticism in Department of Trade investigations are being further investigated.

Which calls for a lot more manpower than the English Institute has at its disposal. I understand recruitment consultants, Douglas Lambias Associates, may have been retained to fill some of the posts arising, although Mr. Lambias refused to confirm this.

There can be no doubt, however, that the institute now wants a chartered accountant as under-secretary to its professional standards and investigation committees. The job will entail the initiation of action following reports by inspectors appointed under the Companies Acts and apparent failures to comply with statements of standard accounting practice. Salary about £7,000.

Applications to M. H. Luke (P.O. Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2R 6EQ—tel: 01-625 7060).

## LABOUR NEWS

## ASTMS backs call for TUC conference on wage restraint

BY CHRISTIAN TYLER, LABOUR STAFF

THE ASSOCIATION of Scientific, Technical and Managerial Staffs (ASTMS) has joined the campaign by a number of big unions for a special TUC conference in advance of any commitment to co-operate with the Government in a second round of voluntary pay restraint.

ASTMS national executive decided at the weekend to vote for a meeting of all TUC union executives "at the earliest possible time."

The idea of a special consultative, non-voting meeting—not a full Congress—was proposed last week by TUC office staff for the end of April or early May. But the TUC executive committee decided last Wednesday to shelve the idea after some members said they thought it would be little more than a talking shop for opponents of continued co-operation.

The present TUC policy is to wait for the April Budget and then to draw up the next pay

guidelines, in consultation with individual unions, by the end of May.

Other unions seeking a special conference of some kind include the National Union of Mineworkers, the National Union of Public Employees, the National and Local Government Officers Association and the Civil and Public Services Association. However, they have not necessarily linked these demands with a specific call for a collective pay debate.

Union reactions to the Budget in three weeks' time could nonetheless lead the TUC general council to reconsider and to call a meeting of executives, especially if the Budget measures prove controversial within the union movement.

Here the attitude of the Transport and General Workers Union, whose national executive is due to hold a special session after the Budget, could be a deciding factor.

## Chapple faces Left challenge in EPTU

BY LORELIES OLSLAGER, LABOUR STAFF

MR. FRANK CHAPPLE, the returned in the elections in staunch Right-wing general May.

His next term—his third—would start on September 8, one month after his 55th birthday. On August 8, 1981, he will be 60 and thus eligible to stay on until he is 65 on August 8, 1986.

Mr. Chapple refuses to discuss his intentions, and it is not known whether he plans to make use of the opportunity offered by the rules.

He is definitely a candidate this year. Nominations for the elections—has to be allowed to run a contender has to be nominated by at least 12 branches—are still not complete and it is therefore difficult to assess what kind of contest Mr. Chapple will face.

But his only serious challenger is expected to be Mr. Harold Best, a member of the unions executive who is a professional and a Socialist not linked with any party. The Trotskyist International Socialists are also trying to put up a candidate.

In Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

re-elected. Mr. Chapple's case, the dates combine in such a way that the rules would allow him any stay on in office for four years and 11 months after his next five year term expires—if he is

## Conference on Physical Distribution

THURSDAY, MARCH 18th. SKYLINE PARK TOWER HOTEL, KNIGHTSBRIDGE, LONDON

This is the first of a series of New Environment Conference for 1976, presented by the Warrington New Town Development Corporation.

**PRINCIPAL SPEAKERS:**  
SIR DANIEL PETTIT  
Chairman, National Freight Corporation  
DR. MARTIN CHRISTOPHER  
Chief, School of Management  
SIRIAN MCKIBBIN  
Managing Director, Planned Warehousing Ltd.  
FREDERICK JONES  
Managing Director, Synag Logistics Ltd.  
RT. HON. JOHN DAVIES, MBE, MP  
Former Cabinet Minister

The conference starts at 10.00 a.m. and will conclude at 5.00 p.m. with a buffet lunch.

## LATE APPLICATIONS

A few places are still available to the senior management of companies with a special interest in the problems of physical distribution in the U.K. and Europe. There is no cost or commitment, but places apply promptly.

Conference papers can be supplied to those unable to attend.

PLEASE TELEPHONE: Mrs. Shone, Warrington (0925 34551). Telex: 627225.

## Entertainment Guide

## OPERA &amp; GALLEY

**COVENT GARDEN:** The Royal Ballet. *The Sleeping Beauty*.  
**ROYAL OPERA:** *The Barber of Seville*.  
**DRURY LANE:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## THEATRES

**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.  
**ALHAMBRA:** *The Barber of Seville*.

## BANKING AND INSURANCE APPOINTMENTS

## JONATHAN WREN BANKING APPOINTMENTS

The personnel consultancy dealing exclusively with the banking profession

**BOOKKEEPING** £5-5500  
A major international bank is looking for a highly experienced bookkeeper aged 25-30 to fill a responsible position in the operations area. The appointee must have a strong personality, sound understanding of computer systems, and have experience in a managerial or supervisory position in a financial institution, preferably in an accounting-related area.

**STERLING DEALER** £13,750  
An international bank is looking for an experienced Sterling dealer aged approx. 34-39 for an opening in its Treasury area which has arisen due to the departure of a female dealer. Personal qualities and financial experience are particularly important, as the successful candidate will be responsible for meeting customers to finance deposits.

PLEASE TELEPHONE JONATHAN WREN FOR FURTHER DETAILS

JONATHAN WREN & CO. 15, HIGH STREET, LONDON, EC3R 6BP

TELEPHONE 01-34 55051

## GENERAL APPOINTMENTS

## THE PAINLESS WAY TO FIND A SENIOR SECRETARY

If you need a PA Secretary, a girl with the Right Background and qualifications to assist you in your work with smooth efficiency then you also need a high calibre service to interview and short list applicants for you.

Please ring Julie Laycock on 629 5747, the SPECIAL APPOINTMENTS DIVISION OF Adventure

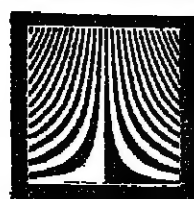
## LEGAL NOTICES

No. 8014 of 1976  
In the High Court of Justice, Chancery Division, the Court, in the Matter of the Companies Act 1947, and in the Matter of the Companies Act 1967, and in the Matter of the Companies Act 1980, and in the Matter of the Companies Act 1985, and in the Matter of the Companies Act 1990, and in the Matter of the Companies Act 1995, and in the Matter of the Companies Act 2000, and in the Matter of the Companies Act 2005, and in the Matter of the Companies Act 2010, and in the Matter of the Companies Act 2015, and in the Matter of the Companies Act 2020, and in the Matter of the Companies Act 2025, and in the Matter of the Companies Act 2030, and in the Matter of the Companies Act 2035, and in the Matter of the Companies Act 2040, and in the Matter of the Companies Act 2045, and in the Matter of the Companies Act 2050, and in the Matter of the Companies Act 2055, and in the Matter of the Companies Act 2060, and in the Matter of the Companies Act 2065, and in the Matter of the Companies Act 2070, and in the Matter of the Companies Act 2075, and in the Matter of the Companies Act 2080, and in the Matter of the Companies Act 2085, and in the Matter of the Companies Act 2090, and in the Matter of the Companies Act 2095, and in the Matter of the Companies Act 2100, and in the Matter of the Companies Act 2105, and in the Matter of the Companies Act 2110, and in the Matter of the Companies Act 2115, and in the Matter of the Companies Act 2120, and in the Matter of the Companies Act 2125, and in the Matter of the Companies Act 2130, and in the Matter of the Companies Act 2135, and in the Matter of the Companies Act 2140, and in the Matter of the Companies Act 2145, and in the Matter of the Companies Act 2150, and in the Matter of the Companies Act 2155, and in the Matter of the Companies Act 2160, and in the Matter of the Companies Act 2165, and in the Matter of the Companies Act 2170, and in the Matter of the Companies Act 2175, and in the Matter of the Companies Act 2180, and in the Matter of the Companies Act 2185, and in the Matter of the Companies Act 2190, and in the Matter of the Companies Act 2195, and in the Matter of the Companies Act 2200, and in the Matter of the Companies Act 2205, and in the Matter of the Companies Act 2210, and in the Matter of the Companies Act 2215, and in the Matter of the Companies Act 2220, and in the Matter of the Companies Act 2225, and in the Matter of the Companies Act 2230, and in the Matter of the Companies Act 2235, and in the Matter of the Companies Act 2240, and in the Matter of the Companies Act 2245, and in the Matter of the Companies Act 2250, and in the Matter of the Companies Act 2255, and in the Matter of the Companies Act 2260, and in the Matter of the Companies Act 2265, and in the Matter of the Companies Act 2270, and in the Matter of the Companies Act 2275, and in the Matter of the Companies Act 2280, and in the Matter of the Companies Act 2285, and in the Matter of the Companies Act 2290, and in the Matter of the Companies Act 2295, and in the Matter of the Companies Act 2300, and in the Matter of the Companies Act 2305, and in the Matter of the Companies Act 2310, and in the Matter of the Companies Act 2315, and in the Matter of the Companies Act 2320, and in the Matter of the Companies Act 2325, and in the Matter of the Companies Act 2330, and in the Matter of the Companies Act 2335, and in the Matter of the Companies Act 2340, and in the Matter of the Companies Act 2345, and in the Matter of the Companies Act 2350, and in the Matter of the Companies Act 2355, and in the Matter of the Companies Act 2360, and in the Matter of the Companies Act 2365, and in the Matter of the Companies Act 2370, and in the Matter of the Companies Act 2375, and in the Matter of the Companies Act 2380, and in the Matter of the Companies Act 2385, and in the Matter of the Companies Act 2390, and in the Matter of the Companies Act 2395, and in the Matter of the Companies Act 2400, and in the Matter of the Companies Act 2405, and in the Matter of the Companies Act 2410, and in the Matter of the Companies Act 2415, and in the Matter of the Companies Act 2420, and in the Matter of the Companies Act 2425, and in the Matter of the Companies Act 2430, and in the Matter of the Companies Act 2435, and in the Matter of the Companies Act 2440, and in the Matter of the Companies Act 2445, and in the Matter of the Companies Act 2450, and in the Matter of the Companies Act 2455, and in the Matter of the Companies Act 2460, and in the Matter of the Companies Act 2465, and in the Matter of the Companies Act 2470, and in the Matter of the Companies Act 2475, and in the Matter of the Companies Act 2480, and in the Matter of the Companies Act 2485, and in the Matter of the Companies Act 2490, and in the Matter of the Companies Act 2495, and in the Matter of the Companies Act 2500, and in the Matter of the Companies Act 2505, and in the Matter of the Companies Act 2510, and in the Matter of the Companies Act 2515, and in the Matter of the Companies Act 2520, and in the Matter of the Companies Act 2525, and in the Matter of the Companies Act 2530, and in the Matter of the Companies Act 2535, and in the Matter of the Companies Act 2540, and in the Matter of the Companies Act 2545, and in the Matter of the Companies Act 2550, and in the Matter of the Companies Act 2555, and in the Matter of the Companies Act 2560, and in the Matter of the Companies Act 2565, and in the Matter of the Companies Act 2570, and in the Matter of the Companies Act 2575, and in the Matter of the Companies Act 2580, and in the Matter of the Companies Act 2585, and in the Matter of the Companies Act 2590, and in the Matter of the Companies Act 2595, and in the Matter of the Companies Act 2600, and in the Matter of the Companies Act 2605, and in the Matter of the Companies Act 2610, and in the Matter of the Companies Act 2615, and in the Matter of the Companies Act 2620, and in the Matter of the Companies Act 2625, and in the Matter of the Companies Act 2630, and in the Matter of the Companies Act 2635, and in the Matter of the Companies Act 2640, and in the Matter of the Companies Act 2645, and in the Matter of the Companies Act 2650, and in the Matter of the Companies Act 2655, and in the Matter of the Companies Act 2660, and in the Matter of the Companies Act 2665, and in the Matter of the Companies Act 2670, and in the Matter of the Companies Act 2675, and in the Matter of the Companies Act 2680, and in the Matter of the Companies Act 2685, and in the Matter of the Companies Act 2690, and in the Matter of the Companies Act 2695, and in the Matter of the Companies Act 2700, and in the Matter of the Companies Act 2705, and in the Matter of the Companies Act 2710, and in the Matter of the Companies Act 2715, and in the Matter of the Companies Act 2720, and in the Matter of the Companies Act 2725, and in the Matter of the Companies Act 2730, and in the Matter of the Companies Act 2735, and in the Matter of the Companies Act 2740, and in the Matter of the Companies Act 2745, and in the Matter of the Companies Act 2750, and in the Matter of the Companies Act 2755, and in the Matter of the Companies Act 2760, and in the Matter of the Companies Act 2765, and in the Matter of the Companies Act 2770, and in the Matter of the Companies Act 2775, and in the Matter of the Companies Act 2780, and in the Matter of the Companies Act 2785, and in the Matter of the Companies Act 2790, and in the Matter of the Companies Act 2795, and in the Matter of the Companies Act 2800, and in the Matter of the Companies Act 2805, and in the Matter of the Companies Act 2810, and in the Matter of the Companies Act 2815, and in the Matter of the Companies Act 2820, and in the Matter of the Companies Act 2825, and in the Matter of the Companies Act 2830, and in the Matter of the Companies Act 2835, and in the Matter of the Companies Act 2840, and in the Matter of the Companies Act 2845, and in the Matter of the Companies Act 2850, and in the Matter of the Companies Act 2855, and in the Matter of the Companies Act 2860, and in the Matter of the Companies Act 2865, and in the Matter of the Companies Act 2870, and in the Matter of the Companies Act 2875, and in the Matter of the Companies Act 2880, and in the Matter of the Companies Act 2885, and in the Matter of the Companies Act 2890, and in the Matter of the Companies Act 2895, and in the Matter of the Companies Act 2900, and in the Matter of the Companies Act 2905, and in the Matter of the Companies Act 2910, and in the Matter of the Companies Act 2915, and in the Matter of the Companies Act 2920, and in the Matter of the Companies Act 2925, and in the Matter of the Companies Act 2930, and in the Matter of the Companies Act 2935, and in the Matter of the Companies Act 2940, and in the Matter of the Companies Act 2945, and in the Matter of the Companies Act 2950, and in the Matter of the Companies Act 2955, and in the Matter of the Companies Act 2960, and in the Matter of the Companies Act 2965, and in the Matter of the Companies Act 2970, and in the Matter of the Companies Act 2975, and in the Matter of the Companies Act 2980, and in the Matter of the Companies Act 2985, and in the Matter of the Companies Act 2990, and in the Matter of the Companies Act 2995, and in the Matter of the Companies Act 3000, and in the Matter of the Companies Act 3005, and in the Matter of the Companies Act 3010, and in the Matter of the Companies Act 3015, and in the Matter of the Companies Act 3020, and in the Matter of the Companies Act 3025, and in the Matter of the Companies Act 3030, and in the Matter of the Companies Act 3035, and in the Matter of the Companies Act 3040, and in the Matter of the Companies Act 3045, and in the Matter of the Companies Act 3050, and in the Matter of the Companies Act 3055, and in the Matter of the Companies Act 3060, and in the Matter of the Companies Act 3065, and in the Matter of the Companies Act 3070, and in the Matter of the Companies Act 3075, and in the Matter of the Companies Act 3080, and in the Matter of the Companies Act 3085, and in the Matter of the Companies Act 3090, and in the Matter of the Companies Act 3095, and in the Matter of the Companies Act 3100, and in the Matter of the Companies Act 3105, and in the Matter of the Companies Act 3110, and in the Matter of the Companies Act 3115, and in the Matter of the Companies Act 3120, and in the Matter of the Companies Act 3125, and in the Matter of the Companies Act 3130, and in the Matter of the Companies Act 3135, and in the Matter of the Companies Act 3140, and in the Matter of the Companies Act 3145, and in the Matter of the Companies Act 3150, and in the Matter of the Companies Act 3155, and in the Matter of the Companies Act 3160, and in the Matter of the Companies Act 3165, and in the Matter of the Companies Act 3170, and in the Matter of the Companies Act 3175, and in the Matter of the Companies Act 3180, and in the Matter of the Companies Act 3185, and in the Matter of the Companies Act 3190, and in the Matter of the Companies Act 3195, and in the Matter of the Companies Act 3200, and in the Matter of the Companies Act 3205, and in the Matter of the Companies Act 3210, and in the Matter of the Companies Act 3215, and in the Matter of the Companies Act 3220, and in the Matter of the Companies Act 3225, and in the Matter of the Companies Act 3230, and in the Matter of the Companies Act 3235, and in the Matter of the Companies Act 3240, and in the Matter of the Companies Act 3245, and in the Matter of the Companies Act 3250, and in the Matter of the Companies Act 3255, and in the Matter of the Companies Act 3260, and in the Matter of the Companies Act 3265, and in the Matter of the Companies Act 3270, and in the Matter of the Companies Act 3275, and in the Matter of the Companies Act 3280, and in the Matter of the Companies Act 3285, and in the Matter of the Companies Act 3290, and in the Matter of the Companies Act 3295, and in the Matter of the Companies Act 3300, and in the Matter of the Companies Act









# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## INSTRUMENTS

### Simple unit will aid quality control

INVALUABLE as a quality control and production recording aid, a relatively simple piece of electronic equipment can be used by manufacturers and suppliers of sheet metals, including stainless steels and aluminium foil. It can also be used by any producer engaged in continuous or semi-continuous manufacturing or treatment where the parameter under observation can be represented by an electrical signal.

Developed by Daystrom Schlumberger, major manufacturer of X-ray casting systems, it can be used in conjunction with such equipment to provide a permanent record of the quality of metal produced.

It is not based on a computer but uses the latest solid-state logic to analyse signals from an output line and divide them into a number of zones according to material thickness, recording each time the thickness passes from one zone to another. The result is a print-out of progressive lengths along the strip with indication of zone change as it takes place.

Printing is by a quiet needle matrix unit with optional extra readouts and it can be sited 100 metres from the production line. Each production classifier will be tailored by Daystrom to suit the requirements of the customer.

Apart from its obvious advantage of providing a faithful printed quality record on

materials offered, the equipment could be justified as a check unit on goods inward, particularly in industries where close observation of tolerances is essential to the next stage in manufacturing—such as in the production of motors, magnetic etc.

Fitting into a 19 inch rack the equipment is largely built up from standard printed circuit boards to simplify maintenance. Power needed is either 115 or 240 volts and consumption is no more than 100 watts.

More from Daystrom Schlumberger, Industrial Products Division, Bristol Road, Gloucester, GL2 6BE. 0452 29450.

### Marconi shifts the emphasis

IN what many in the instrument industry will regard as an uncharacteristic move Marconi Instruments has launched a low cost digital frequency meters starting at £185.

It has also revealed a capital investment in production plant at St. Albans amounting to £370,000 over the last 12 months, with a further £300,000 committed. Emphasis has been on keeping the quality up and the costs down, particularly in the test area where the company's AL4 OVN (St. Albans 59292).

## MATERIALS

### Polyester replaces aluminium

PRECISION mouldings made from Beetle DMC—a glass reinforced polyester moulding compound—have been used to replace pressure die-castings in the Relite ceiling fan. The channever, incorporated in the Mk V model, has eliminated seven precision machining operations and simplifies assembly.

Two mouldings are employed, one houses the motor and the other, mating part encloses the stator assembly. Both are compression moulded in the recently commissioned production unit set up by Simplex-Centulite with the assistance of BIP, and also by Triton Plastics of Cradley Heath, West Midlands.

When DMC was first considered for these two components, die-cast aluminium alloy parts were in use, requiring a total of seven precision machining operations to dimensional and concentricity accuracies of  $\pm 0.05$ mm. This was essential to ensure that the bearing mounting was precise and alignment correct, that the rotor would assemble accurately and that the stator (mounted in the mating half) also aligned correctly.

By using DMC it has been possible to mould the rotor as an insert. Due to its bulk it has to be pre-heated in order to fit the spigot, which in turn also incorporates the other controlled dimensions and faces. Concentricity is assured because these features form part of one mould piece. Bearings are pushed into position on assembly.

Shrinkage is extremely small which assists in the eventual assembly of the parts. Further accuracy is assured by weighing the moulding charge on scales which ensure within  $\pm 1$  per cent results. Flash thickness is rigidly controlled, finishing is kept to a minimum and Simplex accepts mouldings from Triton without inspection, such is the dimensional stability of DMC.

## MACHINE TOOLS

### Senses the moment of touch

A TOOLING aid which indicates the moment of touch, or close proximity, between a tool and a component has been launched by B. O. Morris, Briton Road, Coventry CV2 4LG (0203 455014).

Major applications are likely to be in grinding and jig boring and other areas where close visual control is not always possible.

Called a Touch Indicator, it can be tuned to varying degrees of sensitivity to suit metal cutting or grinding. A row of ten lights come on as the tool approaches the component. The tool or work piece must be rotating at the normal operating speed.

For instance, in cylindrical grinding, as the wheel approaches the component the row starts to light from both ends, with more lights illuminated as the wheel approaches the work. With full contact, the whole row is lit.

Sensitivity can be adjusted so that the first outer lights are on when there is a 0.0001 inch gap between wheel and workpiece. A magnetic based transducer head is mounted as close as possible to the workpiece of tool holder (whichever is rotating), and picks up the high frequency vibrations caused by the contact. As a cutter or grinding wheel approaches, slight changes (caused by air transmission) in these frequencies are registered by the transducers. The changing signal is converted by an analogue computer into the visual display.

Indications of ovality, a tapered hole or incorrect location, can be shown as the row of illuminated lights opens and closes. When grinding, the unit can be used as a "spark-out" indicator. All lights are on while grinding, then gradually go out from the centre outwards as the wheel "sparks-out". The company suggests that other applications will depend on the ingenuity of the operator.

The second new machine is a completely redesigned, centreless grinding machine for grinding and polishing all kinds of straight, round bars and tubes. All drive systems are contained within the body of the conveyor, which is totally enclosed; with the exception of the work-carrying platens and fixtures. New abrasive band attachments are featured.

Tensioning and tracking mechanisms have fewer working parts and are controlled by only two levers. The machine can now be equipped for wet work.

Both new machines will be displayed at the Surface Treatment and Finishing Show in Birmingham, May 18 to 21. Moon Brothers manufactures and markets the equipment under licence from Hammond Machinery Builders Inc., U.S.

These tools have adjustments (0.001 in) controlling rollers mounted from the cutter—line claimed to provide shaving of welds on or concave surfaces, bigger assembly in corners and other difficult or restricted cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

## COMPONENTS

### Thyristors take heavy loading

NIPPON Steel Corporation is expanding its Oita rolling mill and has commissioned Siemens to supply the main electrical drives for a new, 5.3m, wide heavy-plate train.

These are two motors with a cutout power of 19.55 MW each. The order, which is worth DM10.3m, also includes power supply equipment with an on-state power of 2 x 2 x 26.7 MW and a total of 432 type Bst R 68 thyristors based on neutron-irradiated homogeneous silicon.

Due to their repetitive peak off-state voltage of 3,200 V, only one power semiconductor is required for each of the 18 parallel current paths of one arm of the bridge. Hitherto, the lower peak off-state voltage meant that at least two thyristors had to be connected in series in order to provide adequate protection against surge voltages of up to 3 kV.

The fact that the peak off-state voltage of the Bst R 68 has broken the 3 kV barrier previously regarded as the limit is largely due to this technique of irradiating silicon with neu-

trons, which Siemens is chiefly responsible for developing. It produces silicon chips with a much more even lateral resistivity than could be achieved before. With previous methods there were variations of 20 per cent, or more.

Such thyristors operate uniformly over the entire surface of the semiconductor, which has greatly improved the combination of blocking and current-handling capability. With a peak off-state voltage of 3,200 V the maximum mean on-state current is actually 800 A, and the maximum permissible on-state current is as high as 15,400 A.

These performance prompted the decision to use the Bst R 68 for the new, 900 km long high-voltage dc transmission line between the Canadian power plants on the Nelson River and Winnipeg, which means that the AEG-BSC-Siemens project group has secured a contract worth DM220m.

Siemens, D-8520 Erlangen 2, Postfach 3240, West Germany.

Ultra-safe relays

BRITISH designed and manufactured solid-state relays from Astralux Dynamics incorporate an optoelectronic isolator which enables the relay to withstand

voltages of up to 3.75 kV r.m.s. between input and output. The additional safety factor introduced by this high isolation voltage means that the relay meets recently introduced European specifications, which are expected to have a significant impact on the industrial markets for this type of product.

SSR 10000 Series are heavy-duty a.c. types designed to switch up to 40A from logic inputs between 3 and 32V d.c. They will withstand transients of up to 600V and incorporate zero-voltage switching which reduces transient surge problems and radio-frequency interference to a minimum.

There are four units in the series, with r.m.s. load current ratings of 10, 15, 30 and 40A. 5000 and the insulation resistance from input to output and from input and output to heat sink is 10<sup>12</sup>.

Suitable for many arduous applications, including switching of motors, tungsten lamps, furnaces and machine tool controls, the relays have a safety factor which makes them 200 ideal for medical applications such as artificial kidney and cardiac machines, and for use in areas such as automated petrol pumps where a flammable materials are present.

Astralux Dynamics, Brightlingsea, Colchester CO7 0SW, Brightlingsea 2871.

These tools have adjustments (0.001 in) controlling rollers mounted from the cutter—line claimed to provide shaving of welds on or concave surfaces, bigger assembly in corners and other difficult or restricted cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

## METALWORK

### Weld be cut flat

A RANGE of portable weld shavers is being by A.T.A. Engineering, Elphinstone Road, Herts, HP3 5AZ.

These tools have adjustments (0.001 in) controlling rollers mounted from the cutter—line claimed to provide shaving of welds on or concave surfaces, bigger assembly in corners and other difficult or restricted cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

## POWER

### Portable stand-by generator

STABLE VOLTAGE quality are stated to of the Armoultire range stand-by generator Briggs and Stratton C series, with r.m.s. load current ratings of 10, 15, 30 and 40A.

5000 and the insulation resistance from input to output and from input and output to heat sink is 10<sup>12</sup>.

Suitable for many arduous applications, including switching of motors, tungsten lamps, furnaces and machine tool controls, the relays have a safety factor which makes them 200 ideal for medical applications such as artificial kidney and cardiac machines, and for use in areas such as automated petrol pumps where a flammable materials are present.

Astralux Dynamics, Brightlingsea, Colchester CO7 0SW, Brightlingsea 2871.

These tools have adjustments (0.001 in) controlling rollers mounted from the cutter—line claimed to provide shaving of welds on or concave surfaces, bigger assembly in corners and other difficult or restricted cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

Various spindle cutter configurations able to suit aluminium, stainless steel and welds.

The heavy duty hand remove weld beads 1.1/8 to 1/2 inch deep in a 15 inch/minut marking the parent metal.

## Can you afford to stay put when prices are on the move?

### A cost-efficiency quiz for modern business

Assess your ability to cope with inflation in a nil-growth economy by answering the following questionnaire. Then top up your rating on the score panel below.

- How far are you from Mutton?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How many minutes does it take to get to the nearest airport?
  - Under 10 minutes
  - Between 10 and 20 minutes
  - Over 20 minutes
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles
- How far is the nearest town?
  - Under 1 mile
  - Between 1 and 5 miles
  - Over 5 miles

### Check your survival rating

Tot up your total score from the following table.

	A	B	C
1	4	3	2
2	4	3	2
3	4	3	2
4	4	3	2
5	4	3	2
6	4	3	2
7	4	3	2
8	4	3	2
9	4	3	2
10	4	3	2

### Scores of less than 20

With a score of less than 20, you are in a very poor position to cope with inflation. You need to take immediate action to improve your survival rating. Consider the following suggestions:

1. Review your pricing policy. Are you underpricing your products? Consider the possibility of raising prices to cover the cost of inflation.

### Scores of 33-39

You must be a danger to your business, since you are essentially well-placed to adapt to the rigours of the present situation.

### Check your figures against ours

Let us discuss in confidence ways in which our operating costs can be cut by moving to Warrington. Even if you cannot answer part of the questionnaire, let the questions be asked to our business survey team. We may still be able to help you there.

Contact: Brian Bennett, Chief Sales Officer, Warrington General, Warrington, Cheshire, Warrington 2 377. Telephone: Warrington 0925 56551. Telex: 537055.

Warrington General, Warrington, Cheshire, Warrington 2 377. Telephone: Warrington 0925 56551. Telex: 537055.

Warrington General, Warrington, Cheshire, Warrington 2 377. Telephone: Warrington 0925 56551. Telex: 537055.

Warrington General, Warrington, Cheshire, Warrington 2 377. Telephone: Warrington 0925 56551. Telex: 537055.

Warrington General, Warrington, Cheshire, Warrington 2 377. Telephone: Warrington 0925 56551. Telex: 537055.

## CONTRACTS AND TENDERS

### Construction of Iranian border Desho (Afghanistan)-Iranian border Highway

International Tender for supply of Highway Construction heavy and light equipment to the Ministry of Public Works, Afghanistan.

NOTICE OF INVITATION TO TENDER

It is intended that the proceeds of a credit to be received by the Afghan Government from friendly sources will be applied for payment, preferably in US\$ for such other currencies as are freely used in international trade, and be convertible into the currency for which this invitation is bid.

In this connection the Ministry of Public Works of Afghanistan invites International tender for the supply of the type of equipment as detailed in the accompanying list. The Ministry of Public Works reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

The Ministry of Public Works of Afghanistan reserves the right to accept or reject any or all tenders, and to award the contract to the lowest bidder.

### UNIVERSITY OF RIYAD, RIYAD, SAUDI ARABIA

#### INVITATION FOR PREQUALIFICATION OF CONTRACTORS



**CUBITTS INTERNATIONAL LIMITED**  
Cubitt House,  
Kew Foot Road,  
Richmond, Surrey  
Tel: 01-940 9520 Telex: 928719







## FINANCIAL TIMES SURVEY

Monday March 15th 1976

## Insurance Broking

Over the past few years insurance has come out of the shadows of several centuries. The public is now much better aware of how the industry functions. The insurance brokers — the middlemen — are no longer the faceless men of old.

ho is a danger that people go insurance brokers as to arrange their motor and their life insurance. This is certainly there is much more to insurance broking industry. Mr. Perkins, chairman of the largest broking association, the Corporation of Insurance Brokers, pointed out at a Press conference that had a very wide range of services, and he listed the most important. The first was the international activities and the second was the making of payments. London wide, falling very much into the first two categories mentioned above, to the one-man insurance broker operating in a small provincial town involved in the third category, dealing with insurance problems of individual clients.

## istry

second main area in insurance broking play a part is with industrial and commercial clients. This involves not only placing insurance needs around the clock, but helping to new types of policies to a changing needs of individual advising and managing the risk within the operation of the client. Brokers set up as an insurance broker, giving a big part in the

development of risk management in the U.K.

Finally, there is the relationship of brokers with the private consumer in such areas as household insurance, motor insurance and life insurance. Mr. Perkins pointed out that this relationship underlined the broker's responsibility for selling insurance to the public.

Covering these areas of responsibility are some 6,000 to 9,000 companies and businesses calling themselves insurance brokers. They extend from the handful of companies at the top whose operations are world-wide, to the one-man insurance broker operating in a small provincial town involved in the third category, dealing with insurance problems of individual clients.

Yet their functions are basically the same whatever the size of the client. It is simply to ascertain the insurance requirements of the client and then obtain the required insurance cover. To do this the broker will often have to undertake considerable in-depth research into the client's financial affairs in order to make the necessary insurance recommendations. He will also need to know the insurance market thoroughly so that he can carry out his client's wishes.

Yet at present anyone can long after the event. A classic example is clients being sold a whole life policy and being told

that it can be used for house purchase.

We are now in an era of consumer protection and the events of the past few years have shown that while by and large the public get a good service from the brokers, the fringe operators can trade in this field virtually unchecked. The Government is now looking into the

ment is now looking into the

British insurance industry has achieved its world-wide dominant position without much Government control. This is in contrast to the organisation of insurance on the Continent, where the control of the authorities is often paramount and the insurance industry in consequence lacks a world-wide dominant position.

While the brokers have been concerned by the domestic and European problems, the big companies have been expanding their overseas operations considerably, often in partnership with local insurance companies and agencies. The overseas market probably remains the big growth area of the future, especially in reinsurance. The emerging countries are establishing local insurance industries which often reflect current nationalistic feeling.

But the expertise necessary to operate an efficient insurance industry cannot be acquired overnight. U.K. insurance brokers operating overseas are playing an important part in both the establishment and training of the local industry and personnel as well as in arranging the necessary reinsurance facilities which the local industry require. Brokers are certainly benefiting from the return of North American business to the London market which was lost during the premium cutting war of a few years ago.

Now that the public is becoming more aware of the functions of the insurance broker, it is possibly an opportune time for the insurance broking organisations to tell the public more about themselves, how they work, what services can be provided for the individual, and sources is one striking example for the small business, including the self-employed. The dominant part in the development of a new insurance field have formed a joint council—There are likely to be others.

While the brokers have been concerned by the domestic and European problems, the big companies have been expanding their overseas operations considerably, often in partnership with local insurance companies and agencies. The overseas market probably remains the big growth area of the future, especially in reinsurance. The emerging countries are establishing local insurance industries which often reflect current nationalistic feeling.

But the expertise necessary to operate an efficient insurance industry cannot be acquired overnight. U.K. insurance brokers operating overseas are playing an important part in both the establishment and training of the local industry and personnel as well as in arranging the necessary reinsurance facilities which the local industry require. Brokers are certainly benefiting from the return of North American business to the London market which was lost during the premium cutting war of a few years ago.

Now that the public is becoming more aware of the functions of the insurance broker, it is possibly an opportune time for the insurance broking organisations to tell the public more about themselves, how they work, what services can be provided for the individual, and sources is one striking example for the small business, including the self-employed. The dominant part in the development of a new insurance field have formed a joint council—There are likely to be others.

While the brokers have been concerned by the domestic and European problems, the big companies have been expanding their overseas operations considerably, often in partnership with local insurance companies and agencies. The overseas market probably remains the big growth area of the future, especially in reinsurance. The emerging countries are establishing local insurance industries which often reflect current nationalistic feeling.

But the expertise necessary to operate an efficient insurance industry cannot be acquired overnight. U.K. insurance brokers operating overseas are playing an important part in both the establishment and training of the local industry and personnel as well as in arranging the necessary reinsurance facilities which the local industry require. Brokers are certainly benefiting from the return of North American business to the London market which was lost during the premium cutting war of a few years ago.

Now that the public is becoming more aware of the functions of the insurance broker, it is possibly an opportune time for the insurance broking organisations to tell the public more about themselves, how they work, what services can be provided for the individual, and sources is one striking example for the small business, including the self-employed. The dominant part in the development of a new insurance field have formed a joint council—There are likely to be others.

While the brokers have been concerned by the domestic and European problems, the big companies have been expanding their overseas operations considerably, often in partnership with local insurance companies and agencies. The overseas market probably remains the big growth area of the future, especially in reinsurance. The emerging countries are establishing local insurance industries which often reflect current nationalistic feeling.

But the expertise necessary to operate an efficient insurance industry cannot be acquired overnight. U.K. insurance brokers operating overseas are playing an important part in both the establishment and training of the local industry and personnel as well as in arranging the necessary reinsurance facilities which the local industry require. Brokers are certainly benefiting from the return of North American business to the London market which was lost during the premium cutting war of a few years ago.

Now that the public is becoming more aware of the functions of the insurance broker, it is possibly an opportune time for the insurance broking organisations to tell the public more about themselves, how they work, what services can be provided for the individual, and sources is one striking example for the small business, including the self-employed. The dominant part in the development of a new insurance field have formed a joint council—There are likely to be others.

While the brokers have been concerned by the domestic and European problems, the big companies have been expanding their overseas operations considerably, often in partnership with local insurance companies and agencies. The overseas market probably remains the big growth area of the future, especially in reinsurance. The emerging countries are establishing local insurance industries which often reflect current nationalistic feeling.

But the expertise necessary to operate an efficient insurance industry cannot be acquired overnight. U.K. insurance brokers operating overseas are playing an important part in both the establishment and training of the local industry and personnel as well as in arranging the necessary reinsurance facilities which the local industry require. Brokers are certainly benefiting from the return of North American business to the London market which was lost during the premium cutting war of a few years ago.

Now that the public is becoming more aware of the functions of the insurance broker, it is possibly an opportune time for the insurance broking organisations to tell the public more about themselves, how they work, what services can be provided for the individual, and sources is one striking example for the small business, including the self-employed. The dominant part in the development of a new insurance field have formed a joint council—There are likely to be others.

## Time to encourage the public at large

By Eric Short, Insurance Correspondent

## Decisions

The next few years look like being those where decisions vitally affecting the future of insurance brokers are going to be taken, both by the Government and the broking organisations themselves. The constant shifts in the requirements of insurance at all levels big and small are likely to enhance the role of brokers in the growth of the insurance industry. The growth of offshore explorations and production of energy where brokers have played a dominant part in the development of a new insurance field have formed a joint council—There are likely to be others.

## Ours is a one-word history...progress

There is a very simple explanation for Bowring progress. It is that we have always placed the customer's need for service before everything. As each need became evident, we set about meeting it. Given this policy, growth was natural, unforced and constant. The first expansion came in 1811 when a Bowring trading venture was set up in Newfoundland. To provide more goods, we built ships. With ships we carried other men's cargoes. Cargoes needed to be insured. Insurance had to be underwritten. And since insurance is only one aspect of a total financial picture, banking and financial services were added. Today, this policy of service which led to this extensive and continuous growth is still the reason behind the successful operations of the Bowring Group of Companies. The invisible earnings which have placed the Group high in The List of Leading

Exporters have been possible only through the Group's practice of putting the customer's needs first.

The Bowring Group offers you services which are world-wide. Foremost among these are insurance and reinsurance broking through C. T. Bowring (Insurance) Holdings Limited and its subsidiary and associated companies.

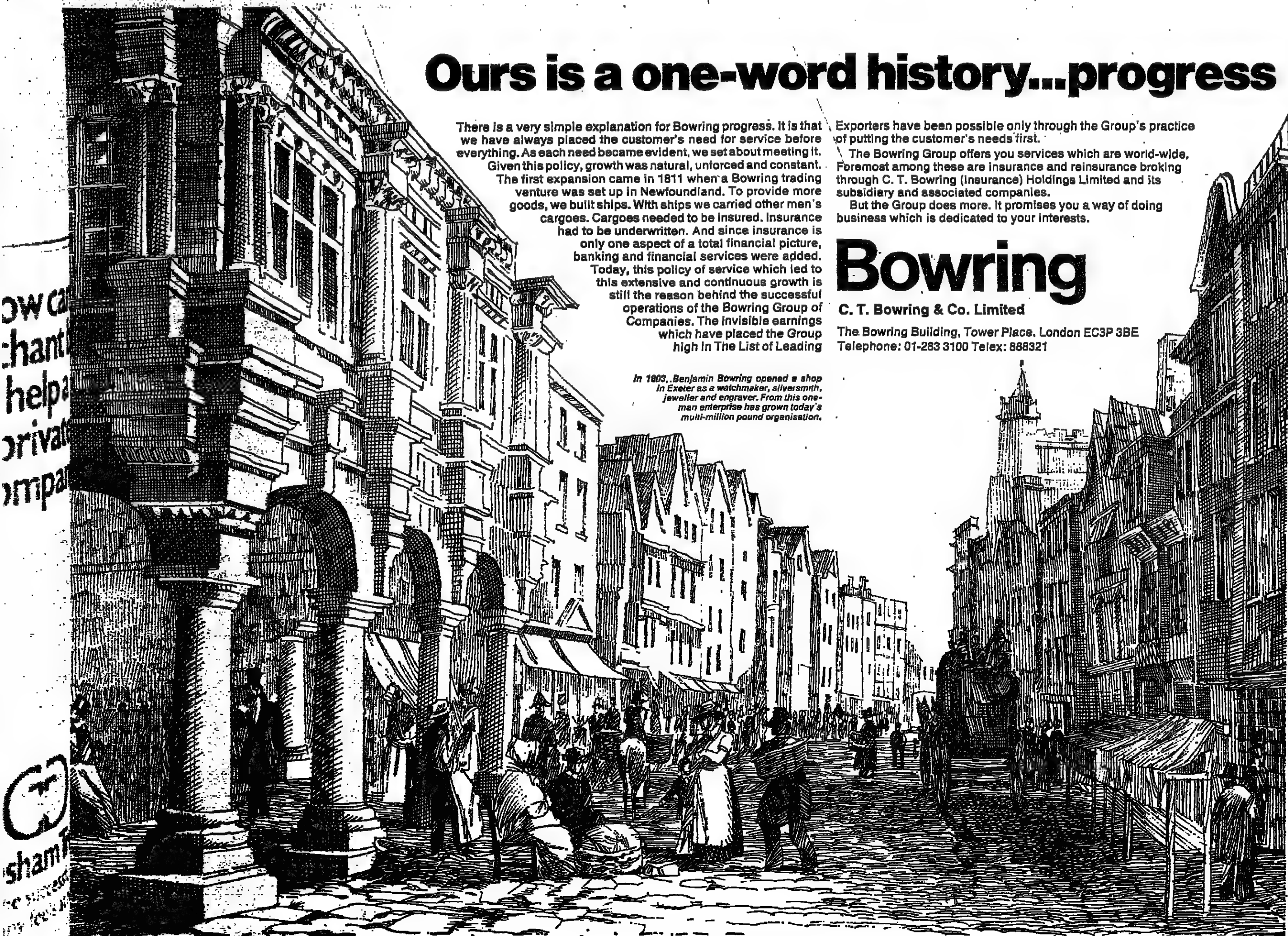
But the Group does more. It promises you a way of doing business which is dedicated to your interests.

## Bowring

C. T. Bowring &amp; Co. Limited

The Bowring Building, Tower Place, London EC3P 3BE  
Telephone: 01-283 3100 Telex: 888321

In 1803, Benjamin Bowring opened a shop in Exeter as a watchmaker, silversmith, jeweller and engraver. From this one-man enterprise has grown today's multi-million pound organisation.





## INSURANCE BROKING II

## Towards wider supervision

PEOPLE IN THE insurance marketing business often say or prove of financial solvency that insurance is sold not bought. Although this is frequently used as justification for the high pressure sales of life assurance contracts, there is a lot of truth in this adage, at least as far as the general public is concerned. Insurance normally does not arouse more than passive interest from the man in the street and when he does become involved he is faced with the decisions of which insurance policy with which insurance company.

In these circumstances, the insurance marketing industry has grown over the years to a considerable size, but the growth has been rather haphazard. Thus we find a whole spectrum of organisations from the large broking companies and the insurance companies' direct sales staff, down to the part-time insurance agent whose objective is to advise on and arrange insurance contracts, both private and corporate.

No qualifications, experience or proof of financial solvency is required for anyone operating in this marketing field, yet the people involved will be giving advice on a subject that is extremely complex and will be asked to select the best contract from a considerable number of insurance companies. Such a lack of control seems amazing in this current era of large-scale consumer protection. It is made even worse by the fact that anyone can call themselves an insurance broker, thereby assuming in the eyes of the gullible public an aura of expert knowledge and complete infallibility.

## Concern

Many insurance brokers are not happy with this situation either, since the publicity surrounding the affairs of the few "black sheep" in the profession reflects adversely on the remainder. The various broking organisations have expressed concern in the past about the

lack of control, but because of the fragmentary nature of these bodies (there are four main insurance broking organisations and some minor ones as well) nothing constructive was done, until the Government expressed its concern regarding the position.

Then the brokers discovered a cohesion previously lacking. Last May, Mr. Peter Shore, Secretary of State for Trade, wrote to each of these four main associations—the Corporation of Insurance Brokers, the Association of Insurance Brokers, the Federation of Insurance Brokers and Lloyd's Insurance Brokers Association. He asked them for their views on regulation and supervision as an alternative to Government-imposed licensing of insurance brokers.

The reaction was the formation, in January, of a joint body—the British Insurance Brokers Council—which submitted a reply on behalf of all four bodies to Mr. Shore's request.

This represented the insurance broking industry speaking to the Government with one voice about matters pertinent to its methods of operations. Other professions have found it much more effective to present a united front when speaking to the Government, after hammering out their differences behind closed doors.

Although the details contained in this submission of the new Council have not been officially published, it is believed that they set out various financial and experience requirements in order for an individual broker or company to use a proposed new title—Registered Insurance Broker. The suggestion is that the capital of any organisation trading as an insurance broker should have capital of at least £1,000 and that the directors or partners should have at least three to five years experience.

The brokers naturally want a self-regulation system operated by themselves, not only from self-interest, but because they

sincerely believe that such a system would be to the long-term advantage of the general public. They feel that any system of Government licensing will tend to stifle the fair and enterprise necessary for a successful broking operation.

The big question is whether these proposals would go far enough to successfully control the profession. It is believed that the Department of Trade does not think that they will and are having further talks with the brokers. The object of the brokers' submission is that when someone uses the title Registered Insurance Broker, the public will know that they are dealing with a person who not only has the necessary technical expertise to handle insurance matters, but is of the highest integrity, has sufficient capital backing and will be severely punished professionally if he steps out of line.

The above proposals as understood so far are not likely to achieve complete control of the profession. It should not be too difficult to ensure expertise, both theoretical and practical. It should also be possible to impose a minimum level of capital required and minimum indemnity insurance limits that will ensure financial stability, without making too onerous a burden on the individual. The crux of the matter will be in ensuring integrity.

The only effective way to do this is to impose very severe penalties on anyone found guilty of professional misconduct. This needs machinery to handle and investigate complaints against brokers and a body which would judge the case and have power to impose penalties, including the ultimate one of expulsion from the profession.

Other professional bodies have this arrangement, not only doctors and solicitors, but accountants, actuaries, and other lesser-known professions. But insurance broking is rather different, because it is only one means of marketing insurance. The present broking organisations have their own regulatory standards and discipline members who step out of line. But these organisations cover about 3,000 of the 8,000 or 9,000 broking outlets in the U.K. (the exact number is not known), beside the other sources of

insurance selling. The sanctions by the brokers are, in the words of Mr. Perkins, the CIB's president, "power to do nothing, if a broker does not need a member of any association in business."

The answer to this vexatious problem possibly having an overall stamp just for brokers, but persons involved in insurance, together with backing from the Gov. What must be avoided means whereby those barred from being a Registered Insurance Broker can market insurance themselves or some even more title.

## Specialist

However, while the ment and the brokers their discussions on a complex problem there are two steps that could straightaway be taken. The first is to legal requirement intermediaries to a amount of commission receive on each insurance contract recommended—of indemnity insurance limits that will ensure financial stability, without making too onerous a burden on the individual. The crux of the matter will be in ensuring integrity.

The other step is to a legal requirement persons marketing insurance keep separate client subject to frequent audits. It is amazing, is not already the position, the dangers were high a recent case where it accepted the client's money because of financial could not purchase a since contract. Any supervision must ensure client's money is as far as possible.

Eric

## Growth of reinsurance

REINSURANCE has emerged over the last few years as perhaps the clearest growth area in the insurance sector, yet there can be very few people not directly involved in insurance who know how it works—let alone its importance within the industry.

What is reinsurance? It is a direct development of the first basic principle of insurance, that is reducing a risk by spreading it. Nobody will willingly carry the full liability for a large financial risk entirely on their own shoulders if the opportunity is there for them to share it with someone else, and this applies not only to insurers but also to insureds.

When insurers, whether companies or underwriting syndicates, take on risks they have to decide how much of a particular risk they are prepared to provide cover for. This decision will depend on several factors, the most relevant of which will probably be the size of the risk in relation to the insurer's own financial position. The insurer then sets what is called a retention level and any cover required over and above this he will reinsure elsewhere.

Reinsurers generally fall into two categories, they are either insurers who handle reinsurance along with their other more traditional insurance business, or they are subsidiary companies of larger insurance organisations which specialise entirely in reinsurance. There are no publicly quoted reinsurance companies in the U.K.

In either of the aforementioned cases, the reinsurance

interests, whether a subsidiary or a department, are normally kept entirely separate from the rest of the organisation's insurance business. This is because of the very specialist skills which are required in reinsurance, but are not generally needed in the more traditional areas of insurance.

When an insurer is deciding how best to spread his risks he is most likely to choose an international spread. This is because if a large risk is covered entirely by the insurers of one country, in the event of the disaster actually occurring that nation's insurance industry will be put under severe pressure. For instance, if the compensation due on the series of natural disasters experienced in Australia in 1974 had all been covered by Australian insurers it is highly doubtful whether that nation's insurance industry could have survived.

In order to cope with the wide international range of reinsurance business the reinsurer has to possess a wide ranging knowledge of international insurance matters as well as being well up-to-date on the fluctuating trends of different currencies. This is really where the reinsurance broker comes into the picture. He also possesses this specialist knowledge and he can make the task of the insurer and reinsurer much easier by acting as an intermediary.

The true role of the reinsurance broker has been the subject of some debate in the past however. Reinsurance is after all a transaction between two insurance professionals and this has often raised the question of why can't the insurer and reinsurer deal direct. Indeed they can, and in the case of some of the larger companies they often do. On the life side in fact reinsurance does normally take the part of a direct transaction. Non-life reinsurance, however, is rather more complicated and often involves several different

reinsurers: here the broker can play a very useful role as a co-ordinator.

As with the traditional insurance broker, the reinsurance broker's basic function is to place the business at the maximum cover, for the minimum cost, with adequate security. However, beyond that the reinsurance broker becomes a much more sophisticated animal. He has to maintain close contact with the people who are likely to require reinsurance and those who can provide it and this contact often spans the globe.

## Requirement

There can be little doubt that reinsurance brokers are enjoying an increasing volume of business and their numbers are growing. At the last count there were about 120 members of the Reinsurance Brokers' Association. These include several specialist firms who do nothing but reinsurance work, and many larger broking firms which have established reinsurance divisions.

Most of these support the view that business is expanding but there is some disagreement about where the best prospects lie. Certainly much of it has come from the developing nations. Although many of these have their own insurance companies, and even reinsurance specialists, these are often not yet strong enough to take the full burden of the industrial risks arising in their own country and they require the assistance of the reinsurance brokers to help them reinsure on an international basis.

However, not all U.K. reinsurance brokers are concentrating on the developing nations. Some, particularly the larger, feel that greater opportunities exist closer to home, within the U.K. or Europe. These firms often feel that reinsurance business with a developing nation takes too long

to bear fruit because of the greater technical service required when dealing with these nations.

What does seem clear though is that the U.K. reinsurance broker owes a great deal of his increasing activity to the fact that London, as with general insurance, is the world's leading market. London's dominance of this field can be judged by the fact many leading overseas broking firms have established offices in London so that they too can deal through this market.

One type of business which appears to stem entirely from London's leading position in this field is that of reciprocal exchange. If a foreign company wished to offer its reinsurance treaty throughout the world, in the hope of getting back good business in return, it can do so through a clearing house arrangement in London. Indeed this is one area of reinsurance where many brokers claim that their services are indispensable.

There has been some concern in the reinsurance sector lately that London's position as the main world market could be threatened by the falling pound, the currently weak economic climate, and competition from other advanced industrialised countries. If London were to lose ground here the growth prospects of many U.K. brokers would be seriously affected.

However, these fears so far are only slight. London does after all have many points in its favour, not least of which is the vast experience it has acquired over a long history as the world insurance leader. Moreover, the presence of Lloyd's, which derives at least 60 per cent of its premium income from reinsurance, must enhance its chances of hanging on to its position, which is just as well really since reinsurance is one of the U.K.'s major sources of invisible earnings.

Tom Kyte

## HARTLEY COOPER GROUP

International Insurance and Reinsurance Brokers

85 GRACECHURCH ST. LONDON EC3V 6AJ  
Tel: 01-623 4333 Telex: 885817 Cables: Ernest LondonROWBOTHAM  
(REINSURANCE) LTD.INTERNATIONAL  
REINSURANCE BROKERS & MANAGERS100 FENCHURCH STREET  
LONDON EC3M 5LQ

Telephone: 01-480 6644

Telex: 888211

## COOPER GAY

Insurance and Reinsurance Brokers.  
An international service through  
subsidiaries and associates worldwide.

Cooper Gay &amp; Co. Ltd.

Cereal House, Mark Lane, London EC3R 7NE Tel: 01-480 7322.  
Telex: 885717. Cables: COOGAY LONDON.

## Involvement overseas

INSURANCE broking is an international industry in two important and distinct ways—first, via the inflow of business into London-based operations, and in particular the connection with Lloyd's; and secondly, via the growth of overseas offshoots involved primarily in local markets but also acting as a channel for the passing back of underwriting to the London market.

The Lloyd's operations were predominant in this context until the late 1950s but since then the leading brokers have been expanding their representation overseas. This was initially mainly in the old Commonwealth but more recently has been noticeable on the Continent, in the Far East and in South America.

The result is that at present probably around 60 per cent of brokerage income is in non-sterling currencies. In a recent review brokers J. and A. Scrimgeour estimated that in 1974 the proportion was as high as 79 per cent non-sterling for Minet and around 85 per cent for large groups like C. E. Heath, Howden, and Sedgwick Forbes, with only Hogg Robinson and Leslie and Godwin dependent on the pound for over half their brokerage income.

This heavy involvement in non-sterling business partly ac-

counts for the rapid rate of increase in income in recent years—not only because of the underlying expansion in premiums flowing to London or arising overseas, but also of course because of the impact of the decline in sterling.

Between 1972 and 1974, for example, brokerage income rose by 45 per cent, and the recent average annual growth rate of 30 per cent, or so compares with 17 per cent during the last decade as a whole. Currency fluctuations, which had a lesser influence in 1973 and 1974 than in the 34 per cent rise in 1972, again played an important role last year. After all, the sterling/dollar parity fell from \$2.35 to \$2.02 during 1975 and the dollar is by far the most important currency the brokers handle—around a half of the net inflow to Lloyd's, and a similar percentage of average brokerage revenue.

Moreover, brokers have been allowed under a Bank of England concession to retain their brokerage income in dollars for six months before converting it into sterling—a not inconsiderable advantage at a time when the pound is falling rapidly. Although the impact depends on the sale of dollars throughout the year, a new review from brokers Sheppards

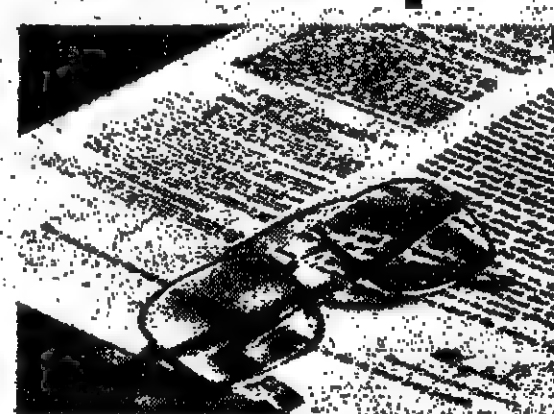
and Chase suggests that this increase in income in recent years may have boosted dollar brokerage by at least a tenth in 1975 (leaving aside any change in income in terms of local currency).

Taking into account changes in other parties, especially the devaluation of the S. African rand, the net increase in the sterling value of a given volume of brokerage was probably around 6 per cent last year. So assuming the maintenance of expenses as a proportion of local currency income, this would increase profits by around a fifth on the Sheppards and Chase figures, for U.K. based international operations.

After also taking account of the impact on overseas earned profits, the overall effect of exchange rate changes last year was probably a rise of about 13 per cent in sterling profits on an unchanged volume of brokerage income. But of course the latter did change—and was increasing sharply—so that total industry income is likely to have jumped by slightly under 30 per cent in sterling terms. Profits may have been about 40 per cent higher, with exchange rate factors accounting for about half.

The exchange rate influence is most important for the

CONTINUED ON NEXT PAGE

Just this once  
please read  
the small print

People always criticise the small print in the insurance business. But there's a way round (Apart from glasses). Use a reputable broker. A good broker can identify your insurance needs. (Often better than you may be able to yourself). He can then, through the mass of information which he has at his fingertips (and you haven't) and come up with cover really suits your requirements — from every angle.

So, having discussed good brokers in general, let's talk about good brokers in particular. Here's a very short list of them:

Stenhouse, Reed Shaw. With 110 offices employing 4,300 staff in all 5 continents of the world, Stenhouse Reed Shaw are big in the insurance broking business. Very big, got that way by being thoroughly competent, knowledgeable and professional in all classes of insurance broking. Stenhouse can offer you a full insurance planning function designed to cover every aspect of protection. That's their job. So consult professionals.

STENHOUSE REED SHAW GROUP  
32 offices throughout the world

Main Regional Offices	Dominion Building
145 St Vincent Street, GLASGOW, G2 5NU	South P LONDON, EC2P
041-248 5070	01-628 1
Brazemose House, BRAZEMOSE STREET, MANCHESTER, M60 8AU	Midland Hc 132 Hagley, BIRMINGHAM, B16
061-832 4312	021-484 1



# Offshore accidents a cause for concern

It has not been a happy hand, and the underwriting fraternity on the other. The mar-

oil and gas industry. On the insurance side, the 19,000-ton Deep Driller rig, owned by those of material damage and liability insurance. The first of

the rig, owned by those of material damage and liability insurance. The first of the rig, owned by those of material damage and liability insurance. The first of

The cost in human life was the second major of to hit the Norwegian wreckage has by law to be re-

Three workers died or then were injured last of the world, some sort of

Following the total liability insurance law, although of Transoceanic last all companies nevertheless met

must focus attention on September new regulations were issued, requiring cover

to be obtained of up to £5m. against claims stemming from

work on or from offshore installations.

The insurance broker is closely involved with the design of the insurance package which,

by its nature, has to cover the entire spectrum of the project in question. Because the risk

is extremely large, it has to be spread among a whole host of underwriters, taking perhaps

3-5 per cent of the risks themselves, but often reinsuring a portion of this, while excess

exemptions by the underwriters may leave an actual excess loss, to be covered by specialist

insurers.

The participants are involved at every stage of the project. The risks attached to the

fabrication, towing and siting of installations are assessed separately by the underwriters

and other material factors, such as the weather conditions of the

location and site and water depths.

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson



The Norwegian oil rig Deep Sea Driller aground off Western Norway at the beginning of this month.

## Generate

If the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a service business it must be able to provide cover,

or, in other words, be able to generate capacity. Banks en-

gaged in project lending wish to see insurance cover as an element of security and when this is hard to arrange, the financial

development of a field may be in jeopardy. This problem is presumably felt most acutely by the smaller oil or

commercial companies operating in the North Sea. But the insurance industry has already com-

mitted itself to an enormous degree, and in the face of the recent string of accidents there

must be some limit to the amount of capacity the industry can provide.

The pace of offshore activity, at least in Europe, has certainly slowed. The number of rigs operating in the North Sea, for

example, is likely to fall sharply this year and forward orders for new platforms have dropped

dramatically, foreshadowing a surplus of rigs and sites in Europe. But oil discoveries are

still being made (as in the case of Ranger Oil this month), the fifth round of U.K. sector

licences is looming on the horizon, and the technological shift into sub-sea completion

and floating platforms (at Brent, Beryl and Magnus) is a further catalyst in the future develop-

ment of offshore insurance markets.

Terry Wilkinson

are taken into account before premiums are aggregated to give an overall rate.

At every stage, the specifications must meet those laid down by the Department of Energy

and this is where the classification societies—Lloyd's Register's Offshore Services Group and

Norske Veritas of Norway—have a role to play. The under-

writers largely rely on the oil companies and Lloyd's Register

to oversee these specifications, and indeed Lloyd's Register

undertook an examination of the 60 existing rigs and produc-

tion platforms in the U.K. sector of the North Sea last

summer. In one area, however, independent surveyors, like

Noble Denton are called in by the oil companies to track the

towing out and positioning of installations.

Apart from the intrinsic problem of assessing risk in a

situation involving high technology and atrocious environmental conditions, offshore ex-

ploration and development has thrown up a number of other

problems for the insurance industry. First, there are the

inflationary factors, which, if the insurance industry is to exist as a



## INSURANCE BROKING IV

## Clearing banks widen their service

THE EXTENSION of the range of services offered by the big banks into the field of insurance over the past ten years or so has already brought them to a point where they represent an important force in the market, particularly in relation to the personal sector. Their continuing development is likely to take them increasingly into the business of providing insurance broking services for the small and medium-sized companies, and ultimately into competition even for the big business.

Their participation in the market has brought some biting criticism for some sectors of the industry, based mainly on the arguments against the combination of insurance advice with other services including particularly banking. From the point of view of the banks, however, there is no doubt that the development is an entirely logical move into a financial advisory service which complements the other aspects of banking. Indeed, the basis of the insurance business and the relationships with customers which it involves were already there years ago in the advice offered by many branch managers individually before the banks set it up on an organised basis.

## Tradition

The banks have been able to build on this tradition in recent years, as part of their general programme of making more effective use of their branch networks. With their countrywide coverage, the big banks have an unequalled asset as a marketing tool for all kinds of financial services. The heavy increases in the cost of running the branches, moreover, have given them every incentive to make use of this asset in as many ways as possible.

The development of the banks' insurance activities, however, may also be seen as a symptom of the ways in which the market itself has changed in recent years. A range of insurance products has been developed which could not have been foreseen even a decade ago, including both the emphasis on investment through insurance as opposed to simple protection and greater concentration on packaging the product to meet the

needs of the public and to make it easier to sell.

In this, as in other areas, the branch manager is unlikely to be able to keep up to date with all the latest developments in order to advise his customers. While the development of greater specialised expertise in the banks is no doubt helpful to the customers, therefore, it may also be seen as another aspect of the general problem faced by the banks in retaining their branch "general practitioner" tradition.

The branch in all cases remains the focal point of the service and the main point of contact with the customer; the local manager is still the man who has the confidence of his clients. But in all the big banks he is now backed up by a specialist organisation staffed not by bankers but by people drawn from the insurance industry and able to cope with the greater complexities of advising on insurance matters. The organisation varies among the banks: National Westminster, for example, has centralised its insurance staff in Bristol whereas the other big three banks have retained a decentralised operation with insurance advisers in each of their regional centres.

The amount of discretion allowed to local managers also differs among the banks. In some cases, such as Barclays, the banks have designed packages covering areas such as building and contents insurance, travel and short-term life cover which the manager is able to sell across the counter. At Midland, managers are able to deal with the smaller with-profits life policies but not with non-profit risks. In general, however, the picture is that the bulk of the insurance business, and particularly any large or complex deals, will be passed on to the specialists.

The development of these organisations has now put the banks in a position to offer a comprehensive insurance advisory and broking service to customers, on both the life and general sides and including specialised areas such as estate and tax planning and investment. At Lloyds, indeed, the insurance services are organised specifically in the context of the bank's trust department.

The debate over the position of the banks has arisen not over the quality of the advice they provide, but over certain areas where critics maintain that they face potential conflicts. One point which is raised concerns the relationship between the banks' insurance advisory services and the other activities in which they are involved, and the possibility that customers could be pressurised into using the insurance division.

The separation of the insurance activities from banking in specialised divisions provides a protection against this danger. And in any case, the banks maintain, the competitive character of the market in both

banking and insurance broking ensure that the advice they give must be independent and objective.

Similar considerations apply in relation to the establishment of links with individual insurance companies. Attitudes differ in this area, with some banks preferring to avoid this type of connection but others making use of a number of named companies—in relation, for example, to the various packages being offered. In one of the recent developments, however, when Midland linked up with the Prudential to launch its new savings plan based on a ten-year life policy, it was decided that while the policies would be written by a Pruden-

tial subsidiary the investment of the savings would be linked with the Midland group's own unit trusts.

Perhaps the most sensitive area is in the actual underwriting of risks by the banks themselves, where the combination with broking activities could be seen as involving a direct clash of interests. So far, the diversification into insurance has been concentrated mainly on the advisory side. The move into direct underwriting activities has been made only in minor instances, including particularly life assurance fields where the banks are in direct competition with the established insurance companies.

National Westminster is the only one of the big four banks which has no life company of its own.

Nevertheless, the combination of the two activities may not be inconsistent with the provision of independent advice. Other financial conglomerates with both insurance companies and brokers within the same group manage to operate the two at arm's length, and the banks maintain that their own products have to compete with alternatives in the market when advice is being given. It is clear, nonetheless, that the banks are sensitive to this criticism and to the opposition voiced by some brokers, and have kept their development in a very low key.

Their growth, however, has been substantial both on the personal life side, where perhaps their most obvious role lies, and in the field of general insurance, where the Big Four now have at least half of their business. They have already developed extensively into the provision of similar services for professional and small and medium-sized commercial customers. And one bank, the Midland, with the acquisition of Montagu Trust, has brought the leading Lloyd's broker, Bland Payne, into its group, and is in a position to pass on to this company any clients which are appropriately handled in this way.

The other banks have not yet

reached this stage, and the whole nature of their present activities has not brought them into direct competition with the big brokers; the type of business on which the banks have tended to concentrate, mainly covering smaller insurance needs, not be welcome to the big Given the considerable changes which the banks' access to customer in marketing insurance, however, there is little that they will move further the insurance business occupy an increasingly important position in the market.

Michael Bli

## Careful planning pays off

IT WOULD probably be fair to say that "financial planning" was at one time only really applicable to the wealthy. For the great majority, estate duty was a rather remote and not deadly serious threat. Inflation, economic climate and legislation, in spiteful combination, have changed all of that, and almost everyone is now well-advised to examine his own financial circumstances.

CTT, the replacement tax for estate duty, is a real horror for a far greater number of people than its predecessor: it covers a wider band and the opportunities to escape or take avoiding action are few indeed. It is a tax that threatens, in particular, the family business, and it is widely predicted that a great many small firms will be closing down due to the tax burden when the business is to be passed from one generation to another.

It is doubtful whether the full implications of Capital Transfer Tax have yet dawned on the general public, however, since the designers of the tax have written in a 'relief' to the effect that tax does not arise when capital passes on the death of the husband to the surviving wife. The belief that the spouse is thus spared any anxiety during her lifetime has

had the effect of people taking no action at all to preserve the estate for the children or other beneficiaries. The attitude, quite unwisely, appears to be to let the children worry about the tax themselves.

The average insurance broking firm, with a personal financial planning department, can in fact achieve quite a lot. Life assurance is probably the only mechanism left where it is possible to fund efficiently for tax. In other words, if the tax has to be paid then it is a question of providing for it when it comes.

## Studies

The good insurance brokers have already made detailed studies of the new CTT laws and it is not an idle claim that with the correct advice, and simply by using the various exemptions to the maximum, it is possible to generate sufficient liquid funds on a sizeable estate to meet the liability during one's lifetime.

Of course, not everyone is obsessed with the idea of preserving an estate. Some are in the far more serious state of having to face an income that is under fire from inflation. The order of the day then appears

to be to generate sufficient income from capital to live on. Again, life assurance and the insurance broker can come into useful play. Probably the most popular device for achieving this objective is the single premium life assurance contract with an investment link—either to property, shares, fixed interest, a combination of all these, or a convertible bond which allows the investor to switch between the various types of asset at very low cost.

It is possible to take a 5 per cent. income withdrawal on a single premium contract without having to pay tax until a much later date. So the tax is not avoided, merely deferred for 20 years, by which time of course the person may no longer be around. This 5 per cent. can either be used for income or can be ploughed into a regular premium life assurance contract with all the appropriate tax relief on the premiums. Before April 1 this year it is possible to take out contracts which are 100 per cent. investment, with no life assurance content, but

still obtain tax relief. Quite understandably, the insurance brokers are currently doing a roaring trade before legislation shuts off the tap.

It would be quite an erroneous impression if the public left that insurance brokers only sold insurance and that there only solution to every problem would be to sell another policy. Nowadays, insurance brokers can provide everything from investment advice to pension advice, tax advice to, of course, insurance portfolio advice.

In the past people have tended to separate these various facets of financial planning. A stock broker for the investment, or merchant banker for the really wealthy; an accountant for the tax; a solicitor for the legal and so on. The major brokers, having now set up financial planning departments, are now capable of drawing the whole thing together and not necessarily to the exclusion of the other professions.

Most brokers actually encourage the family accountant or solicitor to be present when

the estate is discussed. It would be quite unrealistic to trust the accountant or solicitor, who is probably also a family friend, and it is almost certain that this may generate bad feeling. Yet the separate areas are clearly related and it is often possible for a plan or a solution to be hammered out with all parties present to the satisfaction of the ultimate client.

Although the services of financial planners are clearly needed in today's harsh conditions, it would be accurate to say that they, too, have gone through a rough period themselves. During the last bear market in equities which only came to an end fifteen months ago, a great many people lost a great deal of money and this is still unrecovered; even though share prices are still around 25 per cent. below their previous peak. A great many people have also lost a fortune, if not their entire assets, due to the shake-out in property. In these circumstances it is hardly surprising that a great many

people turned on their ment advisers; stockbroker and insurance brokers and banks alike.

That a great many to mess is not in question, the insurance broking was not without sign that Anthony Gibbs shed a wistful half of its staff personal financial service to match the drop in demand.

Conditions have clearly up since then. But their threat to the insurance industry that could result deterioration of service customers. Later on it there is to be a wide range of commission life assurance contracts is widely expected that a of medium-sized brokers forced out of business change. The larger bro survive comfortably be their wider range and it that the weather die be well serviced. At t end of the scale, it is t that the small, one-man men firms will survive other end of the scale. is likely to be in the And it is in the midd of customers that the m has been caused.

Keith

## Protection for the consumer

GIVEN THE complex structure of the insurance market it is not surprising that the majority of the public has little knowledge of what insurance is available and this includes both life and non-life. As such they are hardly in a position to determine just what policy is best suited to a particular need. This in turn leaves potential customers heavily dependent on the intermediaries such as the broker for advice.

The fact that some of the 9,000 or so firms that are operating as brokers in the U.K. are not in a position, for one reason or another, to offer this type of genuinely independent consumer advice, has left the industry open to criticism for failing to fulfil what is generally regarded as one of its major roles. The problems facing the industry are basically two-fold. The sheer cost element often makes it uneconomical to give anything but the basic on the spot guidance on policies where the commissions are minimal. This would include such policies as general house contents and car insurance, and it is ironic that these are often precisely the areas where the consumer needs most advice, particularly on such matters as claims, where the insurance companies themselves are comparatively weak.

The other problem as far as the consumer is concerned is that many brokers are just not equipped to give the necessary advice. It is a known fact that the insurance broking world is relatively easy to gain entry and as such the talents of those operating as brokers often leaves much to be desired.

Indeed because of this lack of expertise the consumer is not only deprived of the necessary advice but is often saddled with the wrong type of policy for his particular need. This fact was recently highlighted by a survey carried out by the Consumers Association. In an investigation among more than 500 of its members it was determined that two out of three people buying a common type of insurance policy were being sold a more expensive one than they needed. It was stressed that if the consumer was to be protected from this type of practice then there would need to be a radical change in the way commissions are paid: it was shown that commissions on two types of typical life policies designed for different needs varied from

about £2 to as high as £200.

Consumers who basically only required a form of protection for their dependents in the event of a premature death were being sold investment type policies by the less respectable broker, since the commission rates were much higher.

The Government with the help of the four major organisations in the broking field is currently reviewing the whole structure of the insurance broking sector with the view to improving both the quality of the brokers themselves and the service offered to the consumer. Moreover, the Life Offices Association has already taken some steps to prevent consumers being sold a more expensive policy than they might otherwise need. From July this year a new system of commissions will come into operation. From that date commissions will be paid on the annual premiums and the length of the policy. This will replace the present arrangement where the return depends on the sum insured. The new scales will vary with the type of cover. On a whole life and endowment policy, which accounts for the bulk of insurance sold in the U.K., the companies will pay up to 2½ per cent. of the annual premiums, with a maximum of 60 per cent. of the first year's sum.

## Maximum

For a fixed term policy the insurers will pay a lump sum of 10 per cent. of the premium for each year of the policy's life, subject to a maximum of six years, or 60 per cent. but no renewal commission will be paid.

The Life Offices Association feels that this new scale of commissions would encourage a more impartial service from the broker without raising the cost of insurance or cutting surrenders values. Whether or not this move succeeds remains to be seen. Certainly opinion seems to be split. The three major insurance broking associations have agreed to the new structure of commissions on life policies. By and large the more professional insurance brokers tend to go along with this agreement, but there remains a certain amount of friction in the fact that the less professional broker such as the accountant or solicitor gets the same scale of commission.

On the other hand there are those brokers that feel the new scale of commissions will encourage a swing to more expensive short-term policies where the premiums would be that much higher and, of course, the commissions that much more favourable to the broker. Moreover it is felt that the small to medium-sized broker could be forced out of business, with some estimates putting the shortfall in life commissions as high as 30 per cent.

The fact that it has been necessary to make some amendments to life policy commission rates tend to suggest that brokers pay little attention to their clients' needs with their main aim to get the highest possible reward. It is a pity that the efforts of a few less respectable brokers has given rise to this general impression.

The more conscientious broker pays great attention to the value clients place on his work. As such he would be prepared to offer his services on all matters of insurance, including advice on claims procedures, even if the commission on that particular policy was minimal. The object here is that if the client is pleased with the service it could lead into more profitable forms of insurance, while at the same time the client would be more likely to recommend his broker.

The cost factor, of course, is an escalating problem, and is must always be at the back of the broker's mind when determining just what service he can give his client. The position must be more acute for the smaller provincial broker since there tends to be more routine work involved here, although they do appear to have one or two advantages over their larger London counterparts. If the provincial broker is fully qualified he is able to give a complete service, and since they are invariably equity owners there is little incentive to give that little extra.

Within reason, then, the bulk of the more professional brokers are giving customers a fairly comprehensive service, but given that escalating costs could quickly erode the quality of that service, it is as well that the Government is now taking an active interest in the sector, with a view to protecting the consumer.

David Wright



## One of our earlier brokers. He was there before the Lutine Bell rang

The Lutine Bell has, after all, been at Lloyd's only since the middle of the last century. We boast the terracotta bust of one of our earlier brokers, who was accredited to Lloyd's in the 1820s.

We only regret we have no kind of portrait of his father. He carries our connexion back

to at least 1793, giving us an unbroken chain of expertise spanning the best part of 200 years.

### Bain Dawes

Head Office: 26 Fenchurch Street, London EC3M 3DR  
Telephone: 01-283 4611. Telex: 888143.

### A worldwide insurance service

Offices and representation in U.K.: Birmingham, Bristol, Edinburgh, Haywards Heath, Huddersfield, Ipswich, Leeds, Manchester, Newcastle upon Tyne, Plymouth, Ireland: Dublin, Cork, Belgium: Antwerp. France: Paris, Germany: Hamburg, Italy: Milan, Bermuda: Hamilton, Canada: Montreal, Toronto, Winnipeg, Hong Kong, Japan: Tokyo, Australia: Sydney, Adelaide, Brisbane, Hobart, Launceston, Melbourne, Newcastle NSW, Perth, Papua New Guinea: Port Moresby. New Zealand: Wellington, Auckland, Christchurch, Dunedin, Invercargill, Napier, Wanganui.

LESLIE & GODWIN

Leslie & Godwin Group  
International Insurance and Reinsurance Brokers

Dunster House, Mark  
London EC3P 3BA  
Telephone: 01-823 4  
Telex: 888581

كتاب من الكتب



## INSURANCE BROKING V

## Lloyd's retains its hold

LLOYD'S BROKERS are the marketing arm for underwriters at Lloyd's. Business comes to the Lloyd's market only through those brokers approved by the Committee of Lloyd's. Thus underwriters are dependent on the "business-getting" abilities of Lloyd's brokers.

It should not be thought, however, that Lloyd's brokers place business exclusively in the Lloyd's market. A few classes of business are not handled there. And of course, for the larger risks, the participation of major insurance companies is also needed. Many companies in the Lloyd's market are not insured through brokers in much the same way as Lloyd's underwriters.

When thinking of competition in insurance (and there has been plenty of that in recent years), one advantage of the Lloyd's market is the fact that overheads, as a percentage of premium income, tend to be lower than for many other insurers throughout the world. On occasion, this can give the Lloyd's market a competitive edge. It does not, however, result to be a "cut-price" market.

Underwriters at Lloyd's aim to write business with a view to making an underwriting profit, and not simply to generate premium income in the hope of making investment profits even if there is an underwriting loss.

## Competition

In recent years, this has meant that, with intense competition on a world-wide basis, on many occasions underwriters have been prepared to see business go elsewhere, rather than write it at what they feel to be uneconomic rates of premium. When this situation arises, the Lloyd's brokers, having complete freedom to place business where they like, may sometimes use other world markets. On the other hand, for really large risks, such as the major world fleets, the percentage of the risk which a Lloyd's broker is asked to place may be reduced, with brokers in other parts of the world replacing a larger proportion than previously.

While for certain classes of business there is still very keen competition indeed, in some cases "cut-price" overseas underwriters have burnt their fingers and are withdrawing. As a result, there is a marked in-

crease in the volume of business being shown to Lloyd's underwriters. In some cases, the position is being reached where underwriters at Lloyd's are seen as the "business-getting" abilities of Lloyd's brokers.

There is, however, the drawback that underwriters cannot always write as much business as they would like. Part of the system which has made Lloyd's renowned for security throughout the world is a limitation on the premium income which can be written related to the security available to individual syndicates in the form of deposits, etc. lodged by individual underwriting members.

While Lloyd's has had a welcome increase in membership (and thus in overall "capacity") sterling premiums have increased sharply—for a variety of reasons. First, due to poor underwriting experience in certain parts of the world, increases in premium have been levied. Secondly, inflation has had the effect of increasing the value of claims and indemnity payments under liability policies.

Naturally, these increases have resulted in higher premiums being paid. Thirdly, the depreciation of sterling has affected Lloyd's underwriters, since a large proportion of the market's business comes from overseas and premiums are converted into sterling.

At the end of last year, the chairman of Lloyd's said that the stringency with which the Committee of Lloyd's applies the discipline related to premium limits might be regarded as too inflexible. He added that the matter is always being reviewed, but there was no intention to allow expediency to be the excuse for abandoning basic principles. Shortly afterwards, a modest relaxation was announced, related to the deductions which may be made for premiums paid in connection with outward reinsurance.

Traditionally, Lloyd's has been something of a "high risk" market, with underwriters being prepared to quote for risks for which there may have been little or no experience—and which many other insurers would prefer to leave well alone. A good example of this is the insurance connected with offshore drilling and production in the North Sea.

In its early days, this business was unprofitable; but underwriters at Lloyd's, with some support from London companies, decided to persevere. The business was put on a profitable footing, and plenty of competition, has sprung up from elsewhere. Now, premiums related to North Sea operations form a significant part of the overall marine premium income for the Lloyd's market.

## Accumulation

There is, however, a massive accumulation of highly valued structures and potential third party liabilities in a relatively small area. As one leading underwriter in this field has put it: "it gnaws at the basic theory of underwriting principles—namely a balanced book promulgated on a spread of risks." While, therefore, the business may come to London in the first place, in view of the expertise of brokers and underwriters in this field, it is necessary for the world insurance market to participate by providing different forms of reinsurance, so as to spread the risk.

The London insurance market has the reputation not only for integrity and capacity, but also for flexibility. Lloyd's brokers, therefore, will put together insurance coverage so as to meet the needs of specific clients. Naturally, there can be no set pattern to this, since to some extent each contract depends on individual requirements.

Apart from devising new forms of cover to meet specific needs, Lloyd's brokers can often see a need for a new form of insurance and are prepared to see how such insurance can be written and developed. Sometimes, a broker with particular expertise in a certain field may arrange facilities in the Lloyd's market which can then be used by other Lloyd's brokers on behalf of their clients.

Naturally, if an underwriter at Lloyd's has an idea for a new form of insurance, this is likely to be developed in conjunction with brokers, since it is the latter who will be in touch with clients, and who will be able to suggest modifications from the marketing point of view.

Sometimes too, a broker

wants to introduce a new form of insurance which may involve heavy risks—and for which there may be little or no past experience. Unfortunately, on so many occasions, experience in insurance has to be "bought"—in the form of claim payments. So as not to over-expose any one syndicate or company, a number of syndicates (and, perhaps companies as well) may each write a modest line, in the hope of being able to acquire a reasonably wide spread of the new form of insurance, so as to gain experience.

For instance, one broker arranged a facility, providing cover of up to £500,000, for a new form of legal liability insurance—to protect industrial and commercial companies against legal claims made against them for damage or infringement of patent, designs, trade mark, trade names, copyright or passing off in connection with any article, product, commodity or thing sold or supplied. In due course, this may become a recognised class of liability insurance.

Underwriters at Lloyd's are always anxious to acquire more "small premium" business—house, car and other personal insurances—since these provide a wide spread of risk and help to balance the overall portfolio. Here, high administrative costs can be the bugbear; over the past few years, a number of methods have been devised for cutting costs and streamlining procedures. Through Lloyd's brokers, insurance brokers in different parts of the country may be given authority to accept business on behalf of underwriters within predetermined limits.

On the motor side, there are facilities whereby a Lloyd's broker can introduce provincial brokers to motor syndicates at Lloyd's. Thereafter, the local broker can deal on a day-to-day basis direct with the syndicate, with the Lloyd's broker remaining responsible for the payment of premiums to underwriters.

All in all, in an increasingly competitive atmosphere, Lloyd's brokers have more than held their own—thanks, to a great extent, not only to the fact that they can place business at Lloyd's, but also to their own ingenuity and flexibility.

John Gaselee

## Shares recover

AFTER AN unaccustomed fall from grace in 1974, shares of insurance brokers surged back strongly during 1975, with the sector rising by 186 per cent. against a gain of some 136 per cent for the All-Share Index. Whereas in the bear market the sector's low yield had left it vulnerable to the return of confidence made investors happy to look once again at the prospects for earnings growth. The sector has now been restored to its former high-flying status; it has the lowest average yield and the highest earnings multiple of all the forty-odd groups and sub-groups (apart from the very special case of the property sector).

A number of reasons can be advanced for the high rating of insurance broking shares. They make up, for instance, a relatively small and tightly held sector which has an enthusiastic specialist following. And the quoted broking firms suffer from few of the drawbacks of the general run of industrial and commercial companies: there are no labour problems to speak of, while inflation and devaluation can almost be turned to positive advantage.

But the most obvious characteristic of the insurance broking shares is their ability to provide reliable earnings growth. In a period of two or three years in which most of the one-time glamour stocks—from Tesco to Rank Organisation—have blotted their growth records, the insurance brokers have in most cases kept on growing.

In both 1972 and 1973 the average pre-tax profits growth for the large quoted insurance brokers was close to 30 per cent., and while 1974 was a mediocre year for them by normal standards, they still chalked up an improvement of around 14 per cent. Although few figures relating to 1975 have yet been published, growth is certain to have accelerated again. Alexander Howden's pre-tax profits were up by a third, Sedgwick Forbes by 21 per cent. In 1976 a further advance is indicated, although growth may ease off a little.

A good deal of this growth, of course, simply reflects inflation. Insurance brokers are almost

uniquely untouched by the inflation problems that damage most other industrial and financial companies, for their income is almost automatically increased in line with insurance values, and they employ comparatively little capital which could be eroded.

Stock market fans of the sector sometimes even argue that the continued depreciation of sterling on the foreign exchanges is to the benefit of the sector. This may be something of an illusion, for one year's windfall gain from devaluation—many brokers earn more than half their revenue abroad, and can hold brokerage for up to six months overseas—is likely to be followed by a bad year for sterling costs, but the rapid decline of the pound in the past 12 months—especially against the dollar, which is a very important currency for London-based brokers—has certainly played a prominent part in the recent recovery in the sector's stock market status.

## Recovery

On top of the inflation factor there has also been a recovery in real growth, although this is more difficult to assess. Much hinges on the problems of the insurance industry in the U.S., which has up into a phase of serious underwriting losses and an associated lack of capacity due in the main to erosion of solvency margins. This has put the London insurance market in a position to attract a considerably greater volume of North American business, at higher premium levels than the cut-throat rates which were seen in 1973 and 1974.

Unfortunately, however, the London market also faces capacity problems—especially Lloyd's which probably accounts for about 50 per cent. of the premiums going through the big London brokers. The number of "names" has been rising but not fast enough to cope with potential business. Underwriters are being selective, and the brokers may find it more difficult and thus more expensive to place business. Another difficulty arising

from the brokers' connection with Lloyd's is that the underwriting agency income which is important for some companies like C. E. Heath and Hogg Robinson is on a sharply declining trend. This reflects the profitability of Lloyd's underwriting, with the 1973 account (closed at the end of 1975) likely to prove significantly worse than the previous few years. The outlook for the 1974 account, moreover, is bad, and it may be several years before the recent turnaround in the insurance cycle is reflected in the underwriting agency income of the brokers.

Another unfavourable factor is the decline seen in world-wide interest rates as a result of the economic recession. Only very slight signs of a recovery in interest rates has been evident so far, notably in the U.S. Investment income may account for some thing like a quarter of the profits of a typical large broker, the interest being derived mostly from premiums in transmission, but also partly from the brokers' own cash resources. Despite continuing rises in cash balances, investment income will have shown little increase in 1975 and may not be very buoyant in 1976 either.

Yet overall profitability should be helped by a likely slowdown in the rise of expenses like salaries, rates and telephone charges which made 1975 a very bad year for costs generally. Hence the continued optimism about prospects for the insurance broking sector. Some stockbrokers, it is true, are becoming concerned that the shares may be becoming overvalued. So far in 1976 the sector index has risen only very slightly relative to the market as a whole. But others point out that insurance broking profits are "real" whereas other sectors would be very hard hit by the impact of inflation accounting.

The improvement in share status has allowed merger activity in the industry to get under way again after a break. Last November, Alexander Howden made a successful bid for the smaller quoted company Halford Sheel, for which it paid some 313p a share, a far cry

from the 54p at which HS shares had been quoted at the start of the year. Subsequently Howden also bought the unquoted company Morrice Tozer and Beck. It would not be surprising to see further bid activity in the sector in the course of 1976. There has recently been speculative activity in the shares of Leslie and Godwin, for instance.

Among the individual companies the largest, like Minet and Sedgwick Forbes, continue to hold high ratings, although Howden has been held back somewhat by doubts about whether it can sustain its recent high growth rate, and by the impact of new shares issued in mergers. Sedgwick was optimistic in its recent report for 1975, suggesting that the full benefits of the 1972 merger were at last coming through.

## Exposure

Despite their exposure to Lloyd's underwriting C. E. Heath and Hogg Robinson have tended to be good market performers, perhaps because agency income is anyway less important for them (especially in Heath's case) than it used to be. Matthews, Wrightson and Stenhouse tend to be held back by their diversifications, in the former case into areas like shipbroking which has turned very dull, and in the latter into unexciting industrial activities. But both these two offer high-ish yields.

C. T. Bowring is a former giant of the sector which has diversified into other financial areas including banking and instalment credit at an important time. Its shares have rallied over the past year, but its price remains a long way below its one-time peak, although the insurance brokers sector index is little more than a tenth below its late 1972 all-time high.

Stockbrokers specialising in the sector, notably Sheppards and Chase and Kitchin and Aitken, remain long-term bulls, but are slightly nervous about some of the ratings. Scrimgeour, on the other hand, sounds rather a bearish note.

Barry Riley

## Lowndes Lambert Group

offers a special and comprehensive consultancy service that covers the entire range of insurance and reinsurance requirements of firms and individuals.

## Lowndes Lambert Group

International insurance and reinsurance brokers and underwriting agents, handling business in London and throughout the world.

Lowndes Lambert Group Limited  
Headquarters: 55 Broad Street, London EC2M 5HL  
Telephone: 01-283 1800

A member of the Hallam Group

**The insurance broking world of C.E. Heath**

The C.E. Heath Group is in business internationally as insurance and reinsurance brokers and as managing agents for syndicates and Lloyd's. The map shows the location of the offices of the C.E. Heath Group and subsidiary and associate companies. This network enables the Group to offer a global service which is backed by the experience and proven integrity of nearly a century of successful operation.

**C. E. Heath & Co. Ltd.**  
Bankside House, 107-112 Leadenhall Street, London EC3A 4AA  
and at Lloyd's Tel. 01-283 1020



## INSURANCE BROKING VI

## John Foord &amp; Co

ESTABLISHED 1828

## Machinery Valuers

Valuations for insurance, costing and all financial purposes. Plant Registers prepared.

## Industrial Property Valuers

Valuations for public issues, mergers and all market transactions, rent reviews, insurance, etc.

## Fire Loss Assessors

Claims prepared for the insured and negotiated with the insurer's adjusters.

## Property Consultants &amp; Agents

Up to date professional advice on redevelopment, relocation, acquisition, disposal and letting. Comprehensive registers maintained of factories, warehouses and sites.

## Rating and Compensation Surveyors

Rating assessments challenged. Compensation claims prepared on compulsory acquisition.

## John Foord &amp; Co

61 Queen's Gardens  
London W2 3AH

01-402 8361

## Setting out pension options

PROVIDING A socially acceptable level of pensions for those in retirement has been an ideal that successive Governments have striven for in various schemes ever since the Beveridge Report some 30 years ago. However, at last a scheme has finally been hammered out and is embodied within the Social Security Pensions Act 1975.

In a nutshell the Act attempts to add a second tier of pensions, on an earnings related basis, on top of the existing flat-rate pension payment. This second tier can either be provided by contracting fully into the State arrangements, or the earnings related part can be provided by way of private occupational pensions plan, providing that certain minimum requirements are met.

The other main ambition of the Act is to maintain pensions in "real" terms. The State is committing itself to "inflation-proofing," but the Act does not require that industry also

leaves itself open to such an on-going commitment, requiring only a 5 per cent. upgrading factor to offset inflation.

The major question now facing employers is whether or not to contract fully into the State arrangements. The question sounds simple enough, but the complexities of the regulations make clear-cut decisions impossible without taking each individual case. By and large most medium and large companies with existing occupational pensions schemes will probably take the decision to contract out—as is the advice of the insurance broking firm, Sodgwick Forbes. Even where staff had been offered better schemes than the workforce it is probable that most will upgrade the benefits to come in line to contract out, though financial considerations must be taken into account. However, because of the difficulties of opting for one way or the other most employers will need professional advice from outside sources.

## Impartial

So to keep the consultant on an impartial basis many brokers are offering much of their research work and advice on a fee basis rather than relying on commissions. Willis Faber Advisory Services, the consultancy arm of brokers Willis Faber and Dumas,

receives as much as two-thirds of its revenue by way of fees, though perhaps this is the exception rather than the rule.

Taking a straw poll of consultants at Bowings, Leslie and Godwin, and Sedgwick Forbes, it becomes apparent that most are in the latter stages of formulating their advice, though some have produced various booklets and pamphlets. Others such as Bowring and Laybourn are producing visual aids and B and L has got together a 30-minute colour presentation on the pensions subject. However, with the regulations not to come into force until 1978 there is little sense of urgency in their offices and most of the action is expected to take place in 1977.

Generally speaking the consultants are taking no hard and fast lines on whether employers should contract in or out. Each case will have to be taken separately, and the financial advantages and disadvantages examined in conjunction with any existing schemes that may be in

existence. It will, however, amount to more than just pure financial equations. For it is Mrs. Castle's intention to put pensions alongside pay on the negotiating table, and consultation with employees is mandatory.

Understandably then, the attitude of both employer and employee will be of paramount importance before any final decision can be formulated. Still, the TUC booklet published last month does at least seem to be taking a softer line than might have been anticipated.

Nevertheless, it will be the broker's job to set out all the possible options open to employers, with all the arguments for and against, and cost exercises on each course. Having done so, the broker will obviously have to give his opinion on the best option and though it will be the employer and employees who will be involved in the final decision the broker will be judging them in the right direction. In this respect the consultants will have to work alongside both union representatives as well as management.

If the decision is taken to contract fully into the State arrangements the broker's role then is negligible, while if the company decides to contract out via a life office the role of the broker will also be limited. However, even if the pensions

scheme is put through the office the broker may be involved in the administration, but it is essential to maintain a watching brief of his in the day to day running of the scheme, the broker must ensure that the company continues to be covered by the scheme, and if management decides to contract out and opt for an administered arrangement the broker's involvement will vary directly with the requirements of the scheme.

After all, the consultant broker will have to be set up within the company's existing structure, perhaps just tail of the periodic actuarial calculations that will be required. The one area where brokers leave well behind actual investment managers is on the type of investments that should be aimed for, may even suggest portfolio managers to administer day investment decisions as a breed the broker handles this side of the

Terry

## Risk management

THE CONCEPT of risk management still attracts a great deal of scepticism, even though the idea has been with us in this country since the beginning of the decade, and in America for more than 30 years. All the sizeable risk management consultancies—and there still are not that many—are owned by major insurance broking houses, and the main critics of risk management are those of the other insurance broking firms which have chosen not to create their own subsidiaries.

Opponents argue vehemently that risk management is only a marketing device for something that any good insurance broker carries out anyway in the normal course of his duties. The purist risk management consultant would argue, equally fiercely, that the insurance broker only thinks in one way—that is, the only way to handle risk is to cover it with an insurance policy.

The risk management devotee would say that the only way to treat risk is to attack the other end—that is, eliminate as much risk as possible—and only then either accept the remainder, or cover it with an appropriate policy. Clearly for the average broker to think in

## Response

It is nevertheless true that the risk management consultant will gain most response from a potential client if he can promise to save sufficient in insurance premiums to cover his own fee. It is therefore not too clear whether customers actually appreciate the advantages of risk management and recognise it is another branch of management, or whether they are prepared to succumb merely to achieve a saving without too much genuine concern as to how this is done. Consultants will maintain that almost every corporate body is over-insured and that huge savings are usually possible; there are examples of savings of up to 50m. per annum.

Taking the latter point a

little further, it follows that the companies most likely to be impressed are (a) probably large, since they have that much more to achieve in the way of savings and (b) those in high risk areas. This trend is borne out by events, as most companies who have either employed the services of a consultant or, in some cases, set up departments specifically to handle risk are the larger chemical, oil and mining groups, and those with a high level of technology. Major corporations are also more self-critical and likely to be persuaded to consider any new management "science".

The consultancies that have thus far been created have either the staff, or access to personnel, with a high degree of technical knowledge. Engineers, industrial specialists would be just some of the people likely to be involved, depending on the kind of company being investigated.

Probably one of the troubles with risk management is that it involves a certain amount of preaching, and unless the results are immediately tangible this can often lead to someone left unconvinced. After all, the main considerations of the day tend to be such things as return

on capital employed, the ratio of profits to sales, the output per capital, price/earnings multiples and other such ratios. One can therefore preach only to the converted or at least the semi-converted, or to those who are impressed by the savings in premiums.

The task of persuasion is no less easy when risk management consultants recommend the implementation of quite simple actions: sealing up a hole in a wall to prevent fire risk; moving stock into two areas instead of one which if destroyed could ruin the business; never allowing all the directors to travel on the same aeroplane. It all seems so simple that the whole idea can be less than plausible to the hard-headed businessman, and possibly even appear expensive.

Part one factor that is likely to awaken the industrialist to the greater responsibility to society that is being imposed on a corporate body. This has recently been formalised under the new Health and Safety Act, at work which represents a safeguard to employees. Risk management can amount to such seemingly mundane considerations as employees' working conditions: heating, lighting, ventilation, etc., are of vital importance. The increased liability on management under the new regulations has meant that a far greater number of companies are seeking to understand the implications of the Health and Safety Act.

Companies may now have to face the possibility of criminal proceedings if negligence can be proven. The legislation places the onus fairly and squarely on the shoulders of management to run their businesses with due regard for the health and safety of the employees. In short, the Act seeks to keep pace with the new technology which has brought with it a whole new generation of personal risks. Even if safety systems are built in, it is up to the management to ensure that such systems are used. Whether or not this impresses the average management is probably questionable. But, then, there are few management to-day who can afford to ignore anything new that may in the longer run save a great deal of time, effort and hard cash.

Keith Lewis



More and more influential business and professional people are regularly taking the



## WORLD INSURANCE REPORT

produced by FINANCIAL TIMES BUSINESS NEWSLETTERS where 'Specialist subjects receive specialist attention'.

If your business interests demand regular information about the world's insurance developments, please complete and forward this advertisement, and we will send you a free sample copy.

Name \_\_\_\_\_  
Organisation \_\_\_\_\_  
Address \_\_\_\_\_

Send to: Subscriptions Dept (WIR), Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.  
FT15/3.1WIR

## Freedom within the Community

INSURANCE BROKERS have taken their role and that of the whole insurance industry in the European Economic Community very seriously from the moment Britain joined early in 1973. Therefore the lack of progress last year towards harmonisation of services came as a bitter disappointment to those U.K. brokers on the United Kingdom Insurance Brokers European Committee (UKIBEC) headed by Mr. Francis Perkins, chairman of the Corporation of Insurance Brokers, who have found themselves wholeheartedly into the quest for harmonisation.

UKIBEC is a joint body representing the four main insurance broking organisations in the U.K. Until last year it had a representative permanently based in Brussels and soon established direct contact with the Commission. The initial rate of progress sounded many in the insurance industry who thought that the totally different systems of operation of insurance between the U.K. with its freedom of operations, and Continental countries with strict control by the authorities, would prove irreconcilable.

As events turned out, those in the European insurance industry welcomed the U.K. entry bringing with it hopes of a relaxation in this authoritative control. They wanted much more freedom on the lines of the British insurance industry. Progress towards harmonisation in both insurance operations and services seemed to be proceeding smoothly. In 1974, the Van Binsbergen court case established the right of freedom of services across the borders of the member countries. This means in theory that a U.K. insurance broker could transact business in the other countries of the EEC.

Last year the brokers prepared a directive for submission to the Commission setting out proposals which would bring about those freedoms of services that exist in law. But now two countries, France and West Germany, have definite reservations over the proposals contained in the directive, while Italy is also dragging its feet.

The reasons are not hard to find and have political undertones. These countries are seeking to continue the protection that has always applied to their own insurance industries. The lack of enthusiasm is coming from the insurance controllers in those countries, rather than from those in the underwriting or marketing sections of the industry.

As industrial and commercial enterprises integrate across the borders of member countries so will the demand for insurance services to those enterprises be integrated grow. UKIBEC regards integration of insurance as a necessary corollary to industrial and commercial integration and consider that such delays are not tolerable.

UKIBEC has recently produced a film designed to show the role of international insurance brokers in the London market. Freedom of services means that Continental brokers can operate in the London market as much as it means that U.K. brokers can operate in the European markets. UKIBEC has at the moment under discussion about 70 matters which in some way affect or are of interest to insurance brokers. Mr. Perkins said at the launching of this film that brokers in Britain were learning all the time from insurance brokers on the Continent and he hoped that they had learnt from the U.K. brokers. This interchange of ideas would appear to be a useful by-product of EEC entry.

One useful function of UKIBEC is keeping track of proposals having an effect on insurance that emerge from the directorates issue by the Commission. Some of these it would appear emerge from totally unexpected sources. In directorates that primarily have nothing to do, at least directly, with insurance matters. The committee of UKIBEC publishes a bulletin three times a year reporting to U.K. brokers on developments and trends in the EEC as they affect insurance.

As multinational industrial enterprises grow the need to ensure the whole of the insurance requirements on an international basis becomes

CONTINUED ON NEXT PAGE

## MORE AND MORE THESE DAYS YOU NEED THE HELP OF FRIENDS

Friends' Provident: a life office that gives you all the help you need.

Help in giving you a wide choice of policies. Policies that help your client look after their children's future, their retirement savings. Policies that help them if they're too ill to work. Policies that help with mortgages and capital transfer tax.

And Friends' help you by providing a quick, efficient service through their nationwide network of branch offices.

Tomorrow can be uncertain, but with a little help from Friends' it can look a lot more secure.

## FRIENDS' PROVIDENT THE BROKER'S FRIEND



FRIENDS' PROVIDENT LIFE OFFICE  
Pixham End, Dorking, Surrey, RH4 1QJ

Tel: Dorking 5055



## Sun Alliance Computer Services



## Allbacs

Specialised  
Accounting Service for  
the Insurance Broker

Sun Alliance House  
North Street  
Horsham RH12 1BT  
Sussex  
Tel: 0403 64141

Beacon Building  
1301 Stratford Road  
Hall Green  
Birmingham B28 9AP  
Tel: 021-777 3283

## Insurance brokers around the world

Lloyds Chambers, 9-13 Crutched Friars,  
London EC3N 2JS.  
Telephone: 01-709 0575 Telex: 84633

HOGG  
ROBINSON  
Group Ltd

إدارة شركة التأمين



# Credit insurance aids export drive

FAR AND away the greatest proportion of insurance cover on money advanced to support exports is undertaken through the Government-sponsored Export Credit Guarantee Department and ECGD rarely admits publicly to the use of outside agents as a means of advancing its levels of business. Nonetheless it is no secret that a number of insurance brokers do operate very successfully in this market. Hogg Robinson—with perhaps a third of the broker market in this class of business—heads the field but among the larger operators such names as Sedgwick Forbes, Glanville Enthoven and Willis Faber Dumas figure prominently.

In January, 1973, ECGD laid down some fairly stringent guidelines as to who could and who could not operate through the Department and still receive a fee (brokerage). Until that time there were hundreds of insurance brokers—ranging from the giants to very modest firms—supplying the ECGD with client money. The number of brokers hearing the ECGD seal of approval is now limited to perhaps a dozen; all brokers can still place business with the ECGD but only the "official traders" receive brokerage and therefore operate profitably. Size was one of the more important ingredients that determined this short list, and brokers need to have at least 575,000 worth of premium income with the ECGD to qualify.

The ECGD assists exporters of both goods and services in two basic ways. First it insures them against the risk of not being paid, whether through default of the buyer or through other causes—restrictions on the transfer of currency, for example, or the cancellation of

import licence. Second, the Department furnishes unconditional guarantees of 100 per cent. repayment to the banks, on which security exporters are provided with the finance that allows them to carry out their overseas business in the first place. The ECGD also insures the businessman's new investment overseas, and the department's cover here takes in both war and political risks.

Credit insurance was first introduced by the Government in 1930 and since that date demand has grown rapidly, though 1945 marked the real turning point for this type of operation. In 1949-50, exports from the U.K. totalled £1.9bn, of which some 11 per cent. was insured through ECGD schemes. By 1973-74 the department's share of the total U.K. export credit market had risen to roughly a third of exports totalling £13.2bn. Broadly speaking, there are three reasons for this rate of growth.

## Attractive

To begin with, ECGD has over recent years made credit insurance an attractive proposition. It has progressively widened the terms of its insurance at both the level of risk covered and the percentage of the overall loss repaid. At the same time, the Department has kept premiums down to a level need solely to keep ECGD solvent. ECGD operates on normal insurance principles and involves no expense to the taxpayer. But it is basically non-profit orientated, and in this respect it can sometimes clash with the commercial enterprise shown by insurance brokers. This could be one reason for last year's tighter rein on the number of brokers who are

allowed to operate profitably with ECGD.

Elsewhere, the growth of ECGD lies with the changing condition of the world as an open market place. Trading patterns have changed radically since before the war with the U.K.'s sellers' market for goods in and around the Commonwealth giving way to what is these days essentially a buyers' market. At the same time the terms of export payment have moved steadily from cash to credit—and often to long-term credit, and at a time when inflation rates are running at high levels. This has meant that exporters, with overseas accounts at risk for much longer periods, have been obliged to have ever larger amounts of money outstanding.

But perhaps the most important driving force behind the growth of ECGD has been the sheer good value of the Department's cover. Lately the private sector credit organisations have been nibbling away at the ECGD's dominant position—and in the two years to 1973-74 the proportion of U.K. exports insured by the ECGD declined from 36 per cent. to around a third—but even today insurance cover with the Department secures for exporters bank finance at very attractive rates.

Credit insurance in this country adds up to around £11m. worth of turnover for a company like Hogg Robinson, whose subsidiary in this field—Credit Insurance Association—probably handles more credit insurance than all the other brokers put together. An insurance broker's function falls into three basic categories. And according to Hogg Robinson these apply just as strongly to credit insurance. A broker's service needs to be (a) professionally presented, (b) contracted via negotiation

and (c) serviced thereafter to promote new business and create good relationships with the client. But applying these criteria to credit insurance can be a relatively expensive business. Unlike general classes of underwriting, where there are considerable legal incentives for the most part, credit insurance has to be "sold," and this is how the costs start to build up.

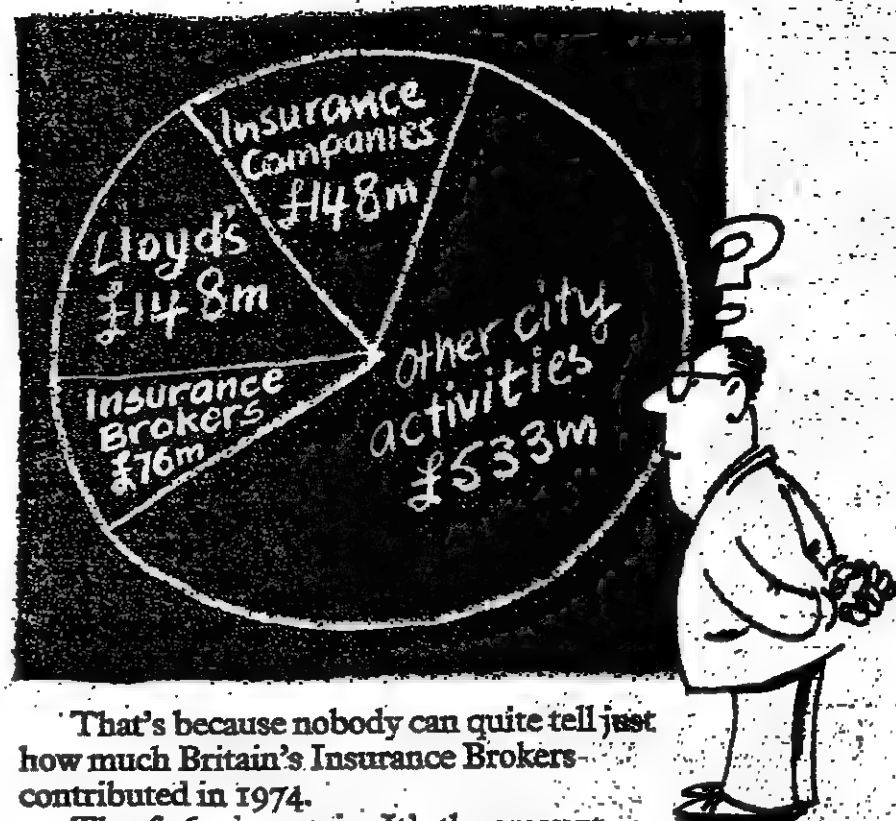
## Bearing

Thus a relatively high level of investment is needed before a broker can expect any sort of a return in this field, which probably explains why some of the big names in the broking industry—Alexander Howden, C. T. Bowering, for example—have never really entered the credit insurance business. It is a very specialist field, and levels of brokerage occasionally have little bearing on the amount of business placed with the ECGD. For example, on specific guarantee cover the maximum fee that can be taken by a broker is £500—regardless of the amount of business done. To overcome this, a broker will usually charge clients a service fee.

At this stage in the world economic cycle, contractual insurance is probably moving through a less than buoyant business period. But credit insurance does rest on some very reassuring historic growth trends and world trade can fairly be said to be moving out of a trough. Finally, the sheer size of some recent export contracts—notably to countries within the Middle East—lend strength to those who argue for even more comprehensive credit insurance cover.

Jeffrey Brown

# This picture of the City's invisible exports is not entirely clear.



That's because nobody can quite tell just how much Britain's Insurance Brokers contributed in 1974.

The £76m is certain. It's the amount directly attributed to them. (And it compares with £60m in 1973 and £58m in 1972).

The hard part is to see how much of the contributions of Lloyd's and the British Insurance Companies also came through Brokers.

Certainly, it would be large. Exactly how large, we cannot say. The important points are that our Insurance Brokers, year by year, win increasing sums from overseas for the British Insurance market. And that the City as a whole earns enough abroad to make a sizeable dent in our current account visible trading deficit.

And there's nothing unclear about the importance of that.

# CIB

The Corporation of Insurance Brokers,  
15 St. Helen's Place, London EC3A 6DS. 01-588 4387

# What made this man\* travel sixty thousand miles last year to solve problems for insurance companies?

**Answer:** the Alexander Howden & Swann commitment to service.

We provide reinsurance for underwriters anywhere in the world, on risks ranging from the modest to the massive.

And we don't see our role as being simply to sit back and collect the premiums once the treaty is placed.

Which is why the man from Alexander Howden & Swann is always available when you want him. To discuss the problems that crop up. To talk about ways of improving the service you get, and tailoring solutions to your special needs.

And even—if you want him to—to prepare reports and recommendations on making your

whole reinsurance scheme better and more cost-effective.

Call him. Soon. Wherever you are, he's only an airline flight away. And he's at your service.



**Alexander Howden & Swann**  
The man from AH&S. He's on your side.

Bankside House, 107-112 Leadenhall Street,  
London EC3A 4AL. Telephone: 01-283 3444



Eric Short

# New life policy rules may help buyers

THE SUBJECT of commission to life assurance intermediaries has always been controversial but it became even more so when the new rules for life companies came into effect last July. The point was that a great deal of the new business done by these companies had been as a result of recommendations by agents such as insurance brokers.

In many cases it might be said that their terms on contracts were better than those of the established competition, but the critics of the brokers reckoned that their enthusiasm for these companies was as much influenced by the commission rates paid (including extra for volume business) as the merits of the companies involved. Questions were also raised about the entire subject of rewarding intermediaries and distinguishing between those who brought a high standard of expertise to their business and those who behaved, in the words of one institutional manager, as "wandering mercenaries" selling their services to the highest bidder.

The dangers of the commission system constitute a well-worn path for discussion and of course in an ideal world the potential policyholder would per the broker out of his own pocket for the advice he received and probably enjoy lower premiums as a result. But the golden rule about life assurance is that it is sold to individuals rather than bought and the system which has been developed over the years is not capable of this type of change—which would indeed lead to smaller life assurance industry. So it is really a question of creating a system whereby life assurance intermediaries have

an incentive to sell the right sort of products to meet the needs of the individual and are not tempted to over-emphasise companies whose security might be in doubt.

Of course there is no ideal solution to this question and most of the proposed remedies create their own difficulties because of the diversity of products, agents and the life companies themselves—all tending to pull in different directions. But the Policyholders Protection Act has put together regulations to try to prevent future National Life situations and to protect policyholders if they should occur. It has also placed a measure of responsibility on the brokers in that if a life company goes into liquidation the broker has to pay back part of the commission he received during the 12 months prior to the liquidation and a smaller amount of his receipts for the 12 months prior to that.

## Discussion

There has been a lot of discussion about this proposed clawback as to whether it is right or not, but the view that it will discourage the irresponsible in some merit in that there will be no profit to be made out of a failed office. The other side of the coin is of course that it might discourage the growth of the smaller companies—those in the past been responsible for a good deal of the product innovation which has come about in the industry.

However, probably the most important prong of the drive to make the commission system more effective and more suited

to the needs of the consumer is the new premium-related commission scale, which was announced by the Life Offices Association last July after discussions with the various prudential organisations and becomes operative from July next onwards.

Apart from the merits of premium-related commissions as opposed to commissions payable on the sums assured, it is probable that the most important outcome of the changeover is that the LOA will now set a standard of commission to which most of the industry will adhere. Before that the problem had been that the gaps in the LOA ranks had been becoming gradually wider as new unlinked offices failed to join and some of the established offices defected in order to offer competitive commission rates.

With the change such important offices as Abbey Life, Hambro Life and Schroder have joined the LOA, which may now lay claim to 95 per cent. of ordinary life business written within the industry. One can only endorse the belief of the LOA and the Associated Scottish Life Offices that a standard commission structure is desirable so that the consumer should know that the recommendation of a particular type of policy or any particular company is not influenced by the amount of commission payable.

This is not to say that the change in the commission system has not encountered opposition. The effect of making the LOA scale as 2½ per cent. of the premium for each premium paying year with the maximum commission fixed at 80 per cent. (creating a cut off point at 24 years) is that the emphasis has shifted from long-term contracts to the shorter term. The previous set-up was that £2 per cent. of the sum assured was payable to the agents. This meant that there was an incentive for the broker to sell whole life policies with a large sum assured and there was considerable criticism about whether these were really suitable for many categories of potential policyholders.

Now the commission arrangements favour the investment orientated endowment contract as opposed to whole life and the main opposition to the changeover has come from the mortgage brokers who sell cover and repayment for house mortgages on a long-term basis and the provincial High Street broker who in many cases has orientated his selling towards protection with a whole life contract as the main vehicle for

the potential policyholder. There is something to be said on behalf of the opposition to the new rules for indeed it would not be ideal if everyone swung towards selling the short-term high premium contract.

But it is possible to couple investment contracts with protection—for example, the combination of an endowment policy with convertible term can be a better proposition than whole life in many circumstances and indeed the whole modern trend has been to tack protection on to investment contracts rather than to make protection the basis of policies.

It has also been remarked that there seems no reason why intermediaries should be more heavily rewarded for placing long-term whole life contracts when just as much work may be involved in selling the customer a ten-year endowment policy. But whatever the arguments, the new policy is going ahead, although the nuts and bolts of remuneration are still being discussed.

## Revision

Perhaps more important than the revision of commission levels is the standard expected from insurance brokers. My colleague, Eric Short, is making a more comprehensive examination of this aspect, but it is all-important in that the more established and reputable brokers (a very difficult body to define) already place more importance on the needs of the client than any considerations about commission. But the problem has been that the brokers are divided and there has been little that the consumer can do to distinguish the good broker from the bad broker—or indeed to know on occasion whether the kindly adviser was collecting commission at all.

However, it is difficult to make rules which are effective without constricting the growth of the life assurance industry. At the moment the several broking associations have submitted their views on self-regulation to the Department of Trade, but they always have at the back of the minds the hesitation about whether tougher standards would diminish the size of the market. This would not only be against their interests but would also not favour the individual—after all, even mildly biased advice is probably better than none at all.

Christopher Hill

# Freedom

CONTINUED FROM PREVIOUS PAGE

paramount. Most of the leading broking firms in the U.K. have wide international experience including operations in the EEC member countries. Indeed, about three quarters of all overseas business placed in London arises through U.K. brokers. In contrast, brokers place about one quarter of commercial and industrial business. The need for one broker to be able to place insurance in the best market for his client is going to grow. U.K. expertise in this sector has much to offer its EEC counterparts.

It looks like, however, the brokers will have to continue their expansion into Europe, at least for the time being, by the more normal business methods that have been used in the past. U.K. brokers have always had a presence in Europe usually through co-operation with local broking firms. This linking is likely to continue to grow in the future while awaiting the production of a freedom of services directive that will be acceptable to all nine countries.

Eric Short



# Insurance Brokers Direct

The insurance brokers listed below offer specialist advice on some or all of the aspects of insurance available for industrial, commercial, financial and personal risks.

Life, Pensions, Health	Property	Liability	Inter-upter, Travel, Guarantees, Credit	Motor	Marine
Ordinary and unlinked life insurance and insured persons' trusts	Fire, Additional perils, Theft, Fingerprint	Public, Products, Employers', Professional indemnity	Business, Liability, Court & gov. bonds, Contingency, Contract guarantees, Credit	Private, Commercial, Trade	International, Marine, Motor, Aircraft

The Companies shown are members of at least one of the major U.K. Insurance Broking Associations (A.I.B., C.I.B., F.I.B., L.I.B.A.).

<p><b>A</b></p> <p>1 H Adams &amp; Co (Insurance) Ltd Beeswing House Sheep Street Wellingborough Northants NN16 1LZ</p> <p>2 L A Adams (Insurance) Ltd 62-64 Heath Road Twickenham Middlesex</p> <p>3 W Adams (Insurance) Ltd 15/17 Ware Road Hertford Herts SG13 7EA</p> <p>4 Allied Insurance Brokers Ltd 19-21 Mortimer Street London W1A 8BB</p> <p>5 Anglian Insurance Brokers/Black Portch &amp; Swain Ltd (Leicester) 18 King Street Kings Lynn Norfolk PE30 1LH</p> <p>6 Architects &amp; Professional Indemnity Agents Ltd PO Box 431 53 Eastcheap London EC3P 3HL</p> <p>7 Avery Rich Associates Ltd 90 Bedford Court Mansions Bedford Avenue London WC1B 3AE</p> <p><b>B</b></p> <p>8 Bacon Everett Morris &amp; Associates Ltd 241 Hagley Road Edgbaston Birmingham B16 9RX</p> <p>9 Bain Davies Group of Companies 26-28 Fenchurch Street London EC3M 3DR</p> <p>10 Bankart Group of Companies Assurance House Rutland Street Leicester LE1 1RF</p> <p>11 Barclay Brothers 29 St Vincent Place Glasgow G1 2EG</p> <p>12 F Barkworth &amp; Co Ltd 62/63 Fenchurch Street London EC3M 4AQ</p> <p>13 Philip A Barnes (Insurance Brokers) Ltd 14 Hill Street Bedford MK40 3HD</p> <p>14 Barnett Devanney &amp; Co Ltd/ Barnett Lowndes Ltd/Castle Cannon Ltd/Castle Taylor Insurance Brokers Ltd Compton House 23-27 Church Road Stanmore Middlesex</p> <p>15 Barnwick Associates Ltd 2/4 York Row Wisbech Cambs PE13 1EE</p> <p>16 John Bateman 66 Smith Street Warwick CV34 4HU</p> <p>17 Beacon Insurance Brokers Ltd/ James Marchant &amp; Son (Insurance Brokers) Ltd/Beacon Merchant Life &amp; Pensions Brokers 241 Queensway Blatchley Milton Keynes MK2 2ER</p> <p>18 Beaumont Group of Companies 1 Clifton Villas Manningham Lane Bradford BD8 7BY</p> <p>19 Bell Nicholson Henderson Ltd 6/7 Rangoon Street London EC3N 2AS</p> <p>20 Benfield Lovick &amp; Rees &amp; Co Ltd 9 Eastcheap London EC3M 1BN</p> <p>21 Berkeley Applegate &amp; Co (Insurance Brokers) (Torquay) Ltd Norfolk House The Terrace Torquay TQ1 1DH</p> <p>22 Berry Birch &amp; Hawisford Ltd 13/19 Maddox Street London W1R 0EY</p> <p>23 Beckenhamp Croymond Bristol Black Pond &amp; Sons Ltd Incorporating H &amp; L Ridgway West Walk Leicester LE1 7NG</p> <p>24 Blake &amp; Marston Ling House 10/13 Dominion Street London EC2M 2RR</p> <p>25 P &amp; G Bland Ltd 28 De Montfort Street Leicester LE1 7GQ</p> <p>26 Bland Payne (UK) Ltd 19-21 Billiter Street London EC3M 2RU</p> <p>27 Alan Blunden &amp; Co 619 London Road Westcliff-on-Sea Essex S50 9PF</p> <p>28 F Bolton Group of Companies Corn Exchange Building 51-57 Mark Lane London EC3R 7ST</p> <p>29 Hugh J Borwell Ltd 120 Thorpe Road Norwich NR1 0SF</p> <p>30 Bowring Bradford Ltd 69 Hermitage Road Hitchin Herts SG5 1DD</p> <p>31 C T Bowring (Insurance) Holdings Ltd/C T Bowring &amp; Co (Insurance) Ltd/C T Bowring (London) Ltd The Bowring Building Tower Place London EC3P 3BE</p> <p>32 C T Bowring (Eastern) Ltd Stephenson House Brunel Centre Bletchley Milton Keynes MK2 2EB</p> <p>33 C T Bowring &amp; Hughes Ltd Pearl Assurance House 4 Temple Row Birmingham B2 5HH</p> <p>34 C T Bowring &amp; Hughes (Cardiff) Ltd 22 Windsor Place Cardiff</p> <p>35 C T Bowring &amp; Laybourn Ltd PO Box 130 142-152 Long Lane London SE1 4DE</p> <p>36 C T Bowring Offshore Oil (UK) Ltd The Bowring Building Tower Place London EC3P 3BE</p> <p>37 C T Bowring (Manchester) Ltd Barnett House 53 Fountain Street Manchester M2 2BB</p>	<p>38 Bowring Rose Ltd Havelock Chambers Queens Terrace Southampton</p> <p>39 Bowring Tyson Ltd 291 Sefton House Exchange Buildings Liverpool L2 3RP</p> <p>40 C T Bowring (Western) Ltd York House Bond Street Bristol BS1 3PG</p> <p>41 Broadgate Group of Companies Broadgate Insurance Brokers Ltd (Life &amp; Pensions) Ltd 48 Queens Road Coventry CV1 3EH</p> <p>42 Broadhurst &amp; Co Bridge House Bridge Road West Kirby Merseyside L48 5EX</p> <p>43 Robt Bradford Hobbs Savill Group of Companies Minster House Arthur Street London EC4R 9BQ</p> <p>44 Bradstock Blunt &amp; Crawley (Aviation) Ltd 58 Wardrobe Place London EC4V 5ED</p> <p>45 Bradstock Blunt &amp; Thompson Ltd 119 Cannon Street London EC4N 5BU</p> <p>46 T A Braithwaite &amp; Associates (Insurance Brokers) Ltd Greenly House 30 Creechurch Lane London EC3A 5EJ</p> <p>47 Brandeis Insurance Group of Companies PO Box 95 36 Fenchurch Street London EC3P 3AS</p> <p>48 Geo P Brook &amp; Co (Preston) Ltd 7 Winkley Square Preston PR1 3JD</p> <p>49 Burgoyne Alford &amp; Co Ltd Battlebridge House 87/95 Tooley Street London SE1 2RA</p> <p>50 Burlington Insurance Group Burlington House 29 Manor Road Folkestone Kent CT20 2SD</p> <p>51 Campbell Fisk &amp; Partners Ltd Royal Insurance House 103 Mount Pleasant Tunbridge Wells Kent TN11 1QW</p> <p>52 Graham Carter &amp; Co Ltd 26 Exchange Street East Liverpool L2 3PH</p> <p>53 Gayzer Steel Bowater Group of Companies Hartcliffe House Cranbrook Kent TN17 2AL</p> <p>54 F P Clarke (Insurance) Ltd 16 High Street Yeovil Somerset BA20 1BP</p> <p>55 Clarkson Group of Companies Ibex House Minorities London EC3N 1PH</p> <p>56 Aberdeen Birmingham Bradford Canterbury/Darby Dudley Edinburgh Glasgow Manchester Pomsonville Swansea</p> <p>57 E L Cleaves &amp; Co Insurance Ltd Sudley Chambers Sudley Road Bognor Regis Sussex</p> <p>58 Collins Hadden Group of Companies 19 Torphichen Street Edinburgh EH3 8HZ</p> <p>59 Concord Group of Companies 1st Floor 35 Bridge Street Morpeh Northumberland NE61 1PF</p> <p>60 Covey &amp; Somerset (London) Ltd 141 Cricklewood Broadway London NW2 3JE</p> <p>61 J N &amp; J G Cowan Insurance Ltd 12 Queens Crescent Glasgow G4 9BL</p> <p>62 Cowper &amp; Dean Ltd Broseley House 81 Union Street Oldham Lancs</p> <p>63 Crawley Warren &amp; Co Ltd 107-112 Lloyd Avenue London EC3N 3HD</p> <p>64 Credit Insurance Association Ltd Lloyds Chambers 9-13 Crutched Friars London EC3N 2JS</p> <p>65 Darwin Clayton &amp; Co Ltd 115-117 Cannon Street London EC4N 5BX</p> <p>66 J Davis (Insurance Consultants) Ltd 74 Busby Road Clarksdon Glasgow G76</p> <p>67 A &amp; J G Denton &amp; Co Ltd 11 Lendal Road Hull Newcastle</p> <p>68 Demsey O'Hara Group of Companies Equity &amp; Law House 15 South Parade Leeds LS1 5QS</p> <p>69 H Dewey Group of Companies Ruxley Towers Claygate Esmer Surrey KT10 0TR</p> <p>70 Dommeren &amp; Co (Holdings) Ltd 3 High Street Cheam Surrey Surrey</p> <p>71 Douglas (Insurance Brokers) Ltd 32 Mansel Street Swansea SA1 5UD</p> <p>72 Eckersley Hicks Group of Companies 21 College Hill Cannon Street London EC4</p> <p>73 Ember Insurance Brokers Ltd 41 Walton Road East Molesey Surrey</p> <p>74 W J Emson &amp; Co Ltd 177 London Road Mitcham Surrey</p> <p>75 Fenchurch Insurance Holdings Ltd and subsidiaries 136 Minorities London EC3N 1ON</p> <p>76 Fenclure House 89 High Road South Woodford London E18 2RH</p> <p>77 Birmingham Bristol Hull Leeds Leicester Manchester Newcastle Bradford &amp; Co Ltd Bradford House Church Road Northenden Manchester M22 4NT</p> <p>78 Blackpool</p>	<p>79 W H Foot (Insurance Brokers) Ltd 13-15 Parkstone Road Poole Dorset BH15 2PF</p> <p>80 The Frizzell Group Frizzell House 14-22 Elder Street London E1 6DF</p> <p>81 Billerica Birmingham Bournemouth Glasgow Leeds Liverpool Manchester Poole Furness-Houlders Group of Companies Windsor Building 19 Leadenhall Street London EC3V 1NR</p> <p>82 Aberdeen Dundee Edinburgh Glasgow Leeds Newcastle-upon- Tyne Stourbridge Stroud Sunderland Swindon</p> <p>83 Garratt Son &amp; Flowerdew Ltd 7 Winkley Square Preston PR1 3JD</p> <p>84 J G Geddes Group of Companies Lloyds Bank Chambers Winchester Street Basingstoke Hants RG21 1DT</p> <p>85 Antony Gibbs Group of Companies Standard House Bonhill Street London EC2A 4RZ</p> <p>86 Edinburgh Glasgow Guildford Leeds Manchester Newcastle- upon-Tyne Swindon Tunbridge Wells</p> <p>87 Glanville Enthoven Group of Companies 144 Leadenhall Street London EC3P 3BH</p> <p>88 Aberdeen Birmingham Bradford Cork Coventry Croydon Dublin Edinburgh Galway Glasgow Gloucester Harrow Manchester Newcastle-upon-Tyne Southampton Uxbridge</p> <p>89 Golding Adam Brothers (Insurance Brokers) Ltd Golding Adam (Marine &amp; Aviation Brokers) Ltd 61 Queen Street London EC4R 1DJ</p> <p>90 Golding Collins Group of Companies/Golding Collins (Reinsurance Brokers) Ltd 61 Queen Street London EC4R 1DJ</p> <p>91 Frank Goodfellow Ltd Cranmer House 1 Cranmer Street Nottingham NG3 4GH</p> <p>92 Graham Brown Group of Companies Trevone House Pannells Court Guildford Surrey GU1 4EY</p> <p>93 Joseph Hadley Group of Companies Sophia House 76-80 City Road London EC1Y 2DR</p> <p>94 Halford Shaw &amp; Co Ltd 29 Mincing Lane London EC3R 7EE</p> <p>95 Harley White &amp; Co Ltd 76 The Green High Street London W5 5DA</p> <p>96 Harris &amp; Dixon Group of Companies 81 Gracechurch Street London EC3V 0AT</p> <p>97 R K Harrison 11 Jacobs (Insurance) Ltd Herbert House 9 The Street Central London E1 9AA</p> <p>98 Hartley Cooper Group of Companies 85 Gracechurch Street London EC3V 0AJ</p> <p>99 R L Hawkford &amp; Co (London) Ltd 117-121 Regent Street London W1</p> <p>100 C E Heath &amp; Co Ltd Bankside House 107-112 Leadenhall Street London EC3A 4AL</p> <p>101 Aberdeen Belfast Birmingham Bolton Dundee Leeds Manchester Middlesex Norwich Reading Southend-on-Sea</p> <p>102 Herriot Associates Ltd Herriot House 9 The Street Ashford Surrey KT21 2AD</p> <p>103 W G Hill &amp; Son (Insurance) Ltd 3 Lloyds Avenue London EC3N 3DT</p> <p>104 Bristol Southend Hillard Smith &amp; Partners Ltd 15 Winbourne Road Bournemouth BH2 6NW</p> <p>105 Cheltenham Colchester Devizes Fareham Gosport</p> <p>106 Hogg Robinson Group Ltd Hogg Robinson Ltd Hogg Robinson (Scotland) Ltd Hogg Robinson (Life &amp; Pensions) Ltd Hogg Robinson (Pensions Management) Ltd Industrial Risk Management Advisers Ltd Hogg Robinson Services Ltd Hogg Robinson Overseas Ltd H L Thomson Ltd Bloodstock &amp; General Insurance Brokers Ltd Lloyds Chambers 9-13 Crutched Friars London EC3N 2JS</p> <p>107 Aberdeen Birmingham Bristol Cardiff Glasgow Ipswich Leeds Leicester Manchester Newcastle Newmarket Reading Sheffield Hillingworth Tyn &amp; Co Ltd 24 Melville Street Lincoln</p> <p>108 Holmwoods &amp; Back &amp; Manson Ltd 85 Gracechurch Street London EC3V 0AQ</p> <p>109 Haywards Heath &amp; Company and Housley Heath (Life &amp; Pensions) Ltd PO Box 19 Waltham Cross Herts</p> <p>110 Housley Heath &amp; Company (Life &amp; Pensions) Ltd Housley Heath Moody Ltd St James's Building 89 Oxford Street Manchester M1 6PQ</p>	<p>111 Investment Insurance International (Managers) Ltd Lloyds Chambers 9-13 Crutched Friars London EC3N 2JS</p> <p>112 Iranian Reinsurance Services Ltd Greenly House 30 Creechurch Lane London EC3A 5EJ</p> <p>113 T J Ireland &amp; Co (Insurance Brokers) Ltd 123 Minorities London EC3N 1PD</p> <p>114 D R Ivey Ltd Consort House Princes Road Ferndown Dorset BH22 9JG</p> <p>115 Jackson Britton &amp; Partners Ltd 114 High Street Evesham Worcs L1</p> <p>116 G L James (Insurance Brokers) Ltd 203 Fennell Road Giffnock Glasgow G46 6JD</p> <p>117 E F Jewett &amp; Partners (Insurance Brokers) Ltd Old Post Office Chambers 54 Boroughgate Orley West Yorkshire LS21 1AE</p> <p>118 Jewitt &amp; Freeman Group of Companies Minerva House East Parade Leeds LS1 3RT</p> <p>119 Kallender Ashford &amp; Co Ltd Nile House Livingstone Road Bath BA2 3PH</p> <p>120 Kentish Insurance Brokers Ltd 196 High Street Penze London SE20</p> <p>121 Anthony Kidd Agencies Ltd PO Box 30 Waltham Cross Herts</p> <p>122 C R King &amp; Partners Ltd 316-318 Wellingborough Road Northampton NN1 4EP</p> <p>123 P W Kinmonth Ltd 3-4 Rangoon Street London EC3N 2AX</p> <p>124 Bowen Kinmonth Ltd Boundary House 7/17 Jewry Street London EC3N 2HP</p> <p>125 A W Knott Ltd Sutherland House Brighton Road Sutton Surrey</p> <p>126 L &amp; O Insurance Brokers Ltd 1 Leadenhall Street London EC3V 1JR</p> <p>127 London Insurance Brokers Limited 16 Bell Yard London WC1 Lowndes Lambert Group Ltd PO Box 431 53 Eastcheap London EC3P 3HL</p> <p>128 Telephone 01-283 2000 Birmingham Bristol Cardiff Caterham Croydon Dundee Edinburgh Exeter Glasgow Gloucester Guildford Leeds Liverpool Manchester Newcastle-upon-Tyne Nottingham Romford Sheffield Wardford</p> <p>129 Lyle Gibson &amp; Co Ltd 12 Princes Square Glasgow G1 3JU</p> <p>130 Lyon Lohr Group of Companies Lyon House 215/221 Borough High Street London SE1 1JR</p> <p>131 James M Macalister &amp; Allison Ltd 151 West George Street Glasgow G2 2NZ</p> <p>132 Macalister Comfort &amp; Co Ltd 6 St Aldate's Oxford OX1 1DL</p> <p>133 Matthews Mulcahy &amp; Sutherland Ltd 10/11 South Leinster Street Dublin 2</p> <p>134 A H Meier &amp; Son 4A St Owen Street Hereford HR1 2PH</p> <p>135 Marston Byng &amp; Co Ltd Asia House 31/33 Lime Street London EC3M 7HR</p> <p>136 Marcus Hearn &amp; Co Ltd 3 Liverpool Street London EC2M 7NH</p> <p>137 R Martin Son &amp; Co Ltd Bedford House Bedford Street Belfast BT7 7DX</p> <p>138 Middlesex Insurance Brokers Ltd 235 Regents Park Road London N3 3LG</p> <p>139 Midland Bank Insurance Services Ltd Suffolk House 5 Laurence Pountney Hill London EC4R 0EU</p> <p>140 Morgan &amp; Co Soneyfields 600 Eversia Road Newcastle-under-Lyme Staffs ST5 0LU</p> <p>141 E H Morgan &amp; Son Group of Companies 2 Parsonage Street Dursley Glos Cirencester</p> <p>142 Morrice Toller &amp; Beck Group of Companies 37 Clements Lane Lombard Street London EC4P 4HH</p> <p>143 Birmingham Guildford Liverpool</p>	<p>143 Duncan Morav Insurance Brokers Ltd 11 George Square Glasgow G2 1DY</p> <p>144 Nelson Hurst &amp; Co 12 Marlborough Place Brighton BN1 1UB</p> <p>145 New Century Ventures Group of Companies 21 Ironmonger Lane London EC2V 8HN</p> <p>146 Noble &amp; Williams Group of Companies Union House 117 High Street Billerica Essex Woking</p> <p>147 Oakley Vaughan &amp; Co Ltd P &amp; O Building Leadenhall Street London EC3V 4QB</p> <p>148 D E Owen Ltd/Owen &amp; Bingham Ltd Cheapside Chambers 43 Cheapside Bradford BD1 4HP</p> <p>149 Osmond Davis &amp; Co Ltd Minerva House Borelyke Tonbridge Kent Bovey Tracey</p> <p>150 Page &amp; Page (Andover Brokers) Ltd 25 High Street Andover Hants GU10 1AA</p> <p>151 Phipps Charnley Ltd 44/60 Richards Lane Pudsey West Yorkshire LS28 7UX</p> <p>152 A Phipps &amp; Co Gibraltar House 341 London Road Westcliff-on-Sea Essex SS0 9NS</p> <p>153 John R Pool Group of Companies 11 Balgore Square Gidea Park Romford Essex RM2 6BA</p> <p>154 R Portwood &amp; Co Ltd 9 Bewick Road Greenhead Tyneside Wear NE8 4DP</p> <p>155 Albert E Priest &amp; Co Ltd The White House 52 Station Road Egham Surrey</p> <p>156 Procter Partners Ltd 180 Soho Hill Birmingham B19 1AH</p> <p>157 Richards Longstaff Group Dominion House 37/45 Tooley Street London SE1 2QF</p> <p>158 Bristol Glasgow Newport Arnold Richer Son &amp; Co Suite 20 10 Bury Street London SV1</p> <p>159 Cardiff Ridley Devine &amp; Co Ltd National Westminster Bank Chambers Darras Road Ponteland Northumberland NE20 9JT</p> <p>160 Blackie Baird &amp; Partners Ltd 99 Douglas Street Glasgow G2 4EU</p> <p>161 Rixon Matthews &amp; Appleyard Ltd Exchange Court Lowgate Hull HU1 1XW</p> <p>162 Roper Insurance Services Ltd Boundary House 7/17 Jewry Street London EC3N 2HP</p> <p>163 Ross Collins Ltd City Wall House 84/88 Chiswell Street London EC1Y 4TB</p> <p>164 Rosa-Gower (Jersey) Ltd 19-23 La Motte Street St Helier Guernsey</p> <p>165 B R Round &amp; Co Ltd Ashley House 30 Ashley Road Altrincham Cheshire</p> <p>166 The Rowbotham Group of Insurance Brokers Ltd 100 Fenchurch Street London EC3M 2LO</p> <p>167 Rowland Smith &amp; Son (Insurance) Ltd/Rowland Smith (Life &amp; Pension Brokers) Ltd 23 College Hill London EC4R 2RT</p> <p>168 Surbiton Bristol Bedford Russell Scanlon Insurance/Henry Russell (Life &amp; Pensions) 96 Cliff Road Nottingham NG1 1GU</p> <p>169 Lionel Sage &amp; Co Ltd St Clare House 30-33 Minorities London EC3N 1DJ</p> <p>170 St Margaret's Insurance Ltd 153-155 High Street London SE20</p> <p>171 Seascope Insurance Services Ltd Seascope Reinsurance Services Ltd Woodruffe House Coopers Row London EC3N 2NL</p> <p>172 Roger Self &amp; Co 9 Church Street Alcester Warwickshire B49 5AJ</p> <p>173 Albert Shaw (Insurance Brokers) Ltd 15 Queen Square Leeds</p> <p>174 Ernest R Shaw Group of Companies Windsor House 3 Temple Row Birmingham B2 5LE</p> <p>175 Shaw &amp; Sons Group of Companies 41-43 Broadway Peterborough PE1 1SJ</p> <p>176 Smart &amp; Cook (Insurance Brokers) Ltd Linden Cottage 14 North Park Road Harrogate HG1 5BB</p> <p>177 J Smith &amp; Son Insurance Brokers Ltd 1 Booth Street Manchester M2 4JL</p> <p>178 Rowland Smith &amp; Son (Insurance) Ltd 23 College Hill London EC4R 2RT</p> <p>179 Bedford Bristol Surbiton Brokers) Ltd/William Smith &amp; Partners (Northern) Ltd 44 Warwick Road Carlisle CA1 1EU</p> <p>180 Walter F Smith &amp; Co Ltd Market Buildings 29 Mincing Lane London EC2R 7EE</p> <p>181 Seaford Hill &amp; Co Ltd 155 Fenchurch Street London EC3</p>	<p>182 Stenhouse Reed Shaw Group of Companies including Stenhouse Reed Shaw Ltd Stenhouse Life &amp; Pension Stenhouse Marketing Services Ltd/Stenhouse International Ltd/Stenhouse Ltd/Sir Wm Gardwaite Group/Wright Dean &amp; Co Ltd 145 St Vincent Street Glasgow G2 5NX</p> <p>183 Dominion Buildings South Place London EC2P 2DX</p> <p>184 Aberdeen Ayr Belfast Birmingham Bristol Cardiff Cardiff Colchester Cork Croydon Dublin Dundee Edinburgh Grimsby Hull Inverness Leeds Leicester Liverpool Manchester Middlesbrough Newcastle Plymouth Porters Bar Preston Reading Sheffield Southampton Wolverhampton</p> <p>185 Stephenson &amp; Co Ltd 101 St Russell Street London WC1 3LG</p> <p>186 Chatham Gravesend Liverpool Watford</p> <p>187 Sterling Offices Ltd 112 Leadenhall Street London EC3A 4AL</p> <p>188 Symonds Pemberton &amp; Spiers Ltd 64 Queen Street London EC4 Sutton-in-Ashfield</p> <p>189 E A Taylor (Insurance) Ltd 152-153 High Street London SE20</p> <p>190 R E Tingle &amp; Co 4 Market Place Kettering Northants NN16 0AL</p> <p>191 Tidale Insurance Ltd Incorporated Insurance Brokers Abbotsfield House High Street Kenilworth Warwick CV35 9NS</p> <p>192 Tomson Bull &amp; Co Ltd 16 The Broadway Woking Surrey</p> <p>193 J Trevor &amp; Poland Ltd Beverton House 24-25 Minorities London EC3N 1BY</p> <p>194 The Corn Exchange Building 52-57 Mark Lane London EC3R 7SS</p> <p>195 Walker Frampton &amp; Poulton Ltd 3 South Place London EC2M 2TL</p> <p>196 Boreham Wood, Bristol Bromley Epping</p> <p>197 Aberdeen 55 26 29 83 95 9 110 182</p> <p>198 Alcester 172</p> <p>199 Altrincham 53 106 165</p> <p>200 Andover 150</p> <p>201 Ashted 96</p> <p>202 Ayr 143 182</p> <p>203 Barking 196</p> <p>204 Basingstoke 81</p> <p>205 Bath 119</p> <p>206 Beckenham 22</p> <p>207 Bedford 13 167 178</p> <p>208 Belfast 95 137 182</p> <p>209 Billerica 78 146</p> <p>210 Birmingham 8 9 26 33 55 63 75 78 83 95 99 106 128 142 147 156</p> <p>211 Birmmham 174 182 199</p> <p>212 Bishop's Stortford 3</p> <p>213 Blackheath 195</p> <p>214 Blackpool 48 76</p> <p>215 Bognor Regis 56</p> <p>216 Bolton 95</p> <p>217 Boreham Wood 192</p> <p>218 Bournemouth 78 98</p> <p>219 Bovey Tracey 149</p> <p>220 Bradford 18 53 83 148 204</p> <p>221 Bramhall 202</p> <p>222 Brentwood 191</p> <p>223 Brighton 144 200</p> <p>224 Bristol 9 22 26 40 53 75 97 99 128 157 167 178 182 192 201</p> <p>225 Bromley 192</p> <p>226 Canterbury 80 55</p> <p>227 Cardiff 10 25 34 99 106 128 158 182</p> <p>228 Carlisle 179 182</p> <p>229 Caterham 128</p> <p>230 Chatham 183</p> <p>231 Cheam 69</p> <p>232 Chelmsford 96 98</p> <p>233 Cheltenham 86 98</p> <p>234 Chester 52</p> <p>235 Cirencester 141</p> <p>236 Coatbridge 110</p> <p>237 Cobham 94</p> <p>238 Colchester 93 98 182</p> <p>239 Cork 83 182</p> <p>240 Coventry 41 83 188</p> <p>241 Cranbrook 52</p> <p>242 Croydon 22 83 128 182</p> <p>243 Devizes 98</p> <p>244 Derby 55</p> <p>245 Dublin 83 124 133 182</p> <p>246 Dundee 79 95 128 182</p> <p>247 Dursley 141</p> <p>248 East Molesey 73</p> <p>249 Edinburgh 9 55 57 79 82 128 182</p> <p>250 Egham 155</p> <p>251 Ellesmere Port 195</p> <p>252 Enfield 93</p> <p>253 Epping 192</p> <p>254 Esher 68</p> <p>255 Evesham 115</p> <p>256 Exeter 53 128</p> <p>257 Fareham 98</p> <p>258 Ferndown 114</p> <p>259 Felkstone 50</p> <p>260 Felixstowe 152</p> <p>261 Galway 83</p> <p>262 Gateshead 154</p> <p>263 Glasgow 11 26 35 53 55 60 65 79 82 83 99 106 116 128 129 143 157 160 182 199</p> <p>264 Gloucester 83 128</p> <p>265 Gosport 98</p> <p>266 Gravesend 183</p> <p>267 Grimsby 182</p> <p>268 Guernsey 53 107 164</p> <p>269 Guildford 82 87 128 142</p> <p>270 Harrogate 176</p> <p>271 Harrow 83</p> <p>272 Haywards Heath 9 101</p> <p>273 Partners (Northern) Ltd 44 Warwick Road Carlisle CA1 1EU</p> <p>274 Hove 193</p> <p>275 Huddersfield 9 26 197</p> <p>276 Hull 39 66 75 118 182</p> <p>277 Inverness 182</p> <p>278 Ipswich 9 99</p> <p>279 Isle of Man 39 106</p> <p>280 Jersey 107 144</p> <p>281 Kentworth 188</p> <p>282 Kettering 187</p> <p>283 King's Lynn 5</p> <p>284 Leeds 9 26 33 63 67 75 78 79 8 95 118 128 173 182</p> <p>285 Leicester 10 23 25 75 99</p> <p>286 Leigh-on-Sea 96</p> <p>287 Lincoln 100</p> <p>288 Liverpool 29 39 52 78 106 128 182 183 195</p> <p>289 London 53 96</p> <p>290 London E.1 78</p> <p>291 London E.2 4 9 12 19 20 24 26 2 36 43 44 45 46 47 55 62 63 64 7 79 82 83 84 85 86 88 91 92 93 9 99 101 103 105 106 108 109 11 112 113 123 126 128 135 136 142 145 147 162 163 166 167 171 178 180 181 182 184 185 19 191 192 195 199 206</p> <p>292 London N.1 138</p> <p>293 London S.E.1 35 49 130 157 205</p> <p>294 London S.E.20 120 170 186</p> <p>295 London W.C.1 7 127 183 198</p> <p>296 London N.W.2 59</p> <p>297 London S.W.1 158</p> <p>298 London W.4 5 22 90 94</p> <p>299 Loughborough 54</p> <p>300 Lyndhurst 52</p> <p>301 Maidstone 53</p> <p>302 Manchester 9 10 26 31 37 35 75 78 82 83 95 99 104 128 177 182</p> <p>303 Marlow 135</p> <p>304 Merthyr Tydfil 106</p> <p>305 Middlesbrough 95 182</p> <p>306 Milton Keynes 17 32</p> <p>307 Mitcham 74</p> <p>308 Morpeth 58</p> <p>309 Newcastle-under-Lyme 29 140</p> <p>310 Newcastle-upon-Tyne 9 26 66 75 82 83 99 128 182</p> <p>311 Newmarket 99</p> <p>312 Newport 157 169</p> <p>313 Norwich 4 26 29 95</p> <p>314 Nottingham 10 86 128 168 203</p> <p>315 Northampton 10 122</p> <p>316 Oldham 61</p> <p>317 Oley 117</p> <p>318 Oxford 130</p> <p>319 Peterborough 175</p> <p>320 Plymouth 9 53 182</p> <p>321 Ponteland 159</p> <p>322 Poole 28 77 78</p> <p>323 Portsmouth 55</p> <p>324 Porters Bar 182</p> <p>325 Preston 48 80 182</p> <p>326 Pudey 151</p> <p>327 Reading 4 95 99 182</p> <p>328 Romford 31 128 153</p> <p>329 Southend-on-Sea 95 97</p> <p>330 Stanmore 14</p> <p>331 Stevenage 3</p> <p>332 Stourbridge 79</p> <p>333 Strathclyde 11 110</p> <p>334 Stroud 79</p> <p>335 Sunderland 79</p> <p>336 Surbiton 167 178</p> <p>337 Sutton 125</p> <p>338 Sutton-in-Ashfield 185</p> <p>339 Swavesey 53 71</p> <p>340 Swindon 79 82</p> <p>341 Taunton 53</p> <p>342 Tonbridge 149</p> <p>343 Torquay 21</p> <p>344 Tunbridge Wells 51 82</p> <p>345 Twickenham 2</p> <p>346 Uxbridge 63</p> <p>347 Walsham 102 128</p> <p>348 Warwick 16</p> <p>349 Waterlooville 70</p> <p>350 Watford 128 183</p> <p>351 Wellingborough 1</p> <p>352 Westcliff-on-Sea 27 158</p> <p>353 West Kirby 42</p> <p>354 Wisbech 15</p> <p>355 Woking 146 189</p> <p>356 Wolverhampton 182</p> <p>357 Yeovil 54</p> <p>358 York 66</p>
---	---	--	--	--	---

Handwritten signature or mark at the bottom center of the page.



o student manufacturing companies at Leeds University wind up to-day. Michael Dixon reports on a professor's unusual experiment

# Learning business the enjoyable way

TWO young manufacturing companies are being set up in Leeds. Their names are the Blenheim Company and the Young Enterprise. Their share-academies to waffle on about their three months, business policy and organisation. But the problem is how to make them run. It is a task, because it will be a free for all, and it will be a free for all, and it will be a free for all.

## Enterprise

By chance, the professor came into contact with Young Enterprise. This is a charitable organisation which stimulates companies to sponsor small business operations to be run by groups of young employees, usually apprentices. The employing company's working managers act as advisers to the groups. Young Enterprise furnishes the documents for establishing the youngsters' businesses—facilities such as insurance—and acts as a sort of central register. In return, it charges the young enterprises a version of corporation tax, currently at 51 per cent, of taxable profits.

"That was our answer," Jack Butterworth said. "Join Young Enterprise and get the students to set up and run their own companies on the campus." The last year undergraduates were split into two companies. The professor allowed each of them a capital of 200 shares of 25p, and told the students to sell them to their friends. "That was to put some pressure on them. If they weren't profitable, they'd have to go round their mates, saying: 'I'm afraid I've lost your money for you'."

He let them use the department of management studies' cellar as a business premises, at a rent of £1 a week. He told them that he would like them to learn from

the exercise. But he told them very little else.

By the end of November, Kusby-Number and the Blenheim Company were "registered" and officially in business.

From the start, Kusby-Number was in manufacturing. The facts that some of its members were studying textiles with management, and that the Leeds University textiles department is equipped with production machinery (not to mention the odd bit of apparently surplus material) may have had something to do with this student group's decision to make and sell cushions, ranging in size from the sit-on to the sleep-on.

## Participation

"We saw the problem of getting all of us to work together," said one of Kusby's worker-directors, "and decided that the best way to commitment was a consensus. So we set up a structure of groups for the various functions so that they would work out their ideas, and present them for co-ordination to the Board meetings. We saw that as giving everybody an equal share in decision-making. In other words, the way we ran our group was political rather than conventionally managerial."

But this high-principled participative management did not save the company from indulging in what looks to be a bit of sharp practice, nor from a clash with the "working-class movement". In a way, the first led to the second.

To fill its cushions the company first bought in a bale of plastic foam. Not only was this expensive, but somebody carelessly cut open the bale and



Professor Butterworth (left) and his students found cushions saturated the University's market and tried to export them to the Polytechnic next door.

the work force was swiftly driven from the work place by a plastic blizzard. Foam immediately went out of fashion. So, putting ethics aside for a few minutes, some of Kusby's directors went into the university's textiles department with a bottle of whisky, and came out with a consignment of three suitable for stuffing cushions.

As a result the average costs

of the company's product range fell to 60p-£1, and it was able to produce more cushions selling at £2.75-£3, with the £5-£8 range proving the most popular. But it was not long before the cushion supply was beginning to saturate the company's captive market in the University's students' union building. So Kusby tried to export to the Leeds Polytechnic next door.

solemnly ruled out this return facility, and the credit functional committees, but delegated day-to-day decisions to a small group of executive directors, then decided that its factoring, although profitable, was not providing any experience of production which, after all, was part of the object of the exercise.

Once again, the convenience of having a strong textiles department in the university was decisive. Blenheim took to manufacturing and selling scarves. The range seems to have been as follows: blue, red, blue and red; shorter, longer; with tassels; without tassels. The scarves were finally sold at £1 to £1.50.

Blenheim did not declare to me any gross-earnings figure. But it admitted that the thought of handing over 51 per cent of profits had moved the worker-directors to take more salary than they originally planned to do. Also, the initial plan to have equal-pay for all was shelved in the face of truculence from the few who were "participating" more than the many.

It got hold of a stock of attractive ball-point pens, not only on sale-or-return, but also on credit. These cost 80p each, and Blenheim slapped them on the university students' union market just before the Christmas vacation at 99p, compared with £1.25 for the same article. It did not sell do-it-yourself gift wrapping, but it did factor tape-recorder cassettes. In three days the company sold £283 of stock. It also staged a disco-theque, which attracted 150 people, and added about £30 to the accumulated profit.

But, Christmas over, the pen-supplier withdrew the sale-or-

return facility, and the credit functional committees, but delegated day-to-day decisions to a small group of executive directors, then decided that its factoring, although profitable, was not providing any experience of production which, after all, was part of the object of the exercise.

Once again, the convenience of having a strong textiles department in the university was decisive. Blenheim took to manufacturing and selling scarves. The range seems to have been as follows: blue, red, blue and red; shorter, longer; with tassels; without tassels. The scarves were finally sold at £1 to £1.50.

Blenheim did not declare to me any gross-earnings figure. But it admitted that the thought of handing over 51 per cent of profits had moved the worker-directors to take more salary than they originally planned to do. Also, the initial plan to have equal-pay for all was shelved in the face of truculence from the few who were "participating" more than the many.

It got hold of a stock of attractive ball-point pens, not only on sale-or-return, but also on credit. These cost 80p each, and Blenheim slapped them on the university students' union market just before the Christmas vacation at 99p, compared with £1.25 for the same article. It did not sell do-it-yourself gift wrapping, but it did factor tape-recorder cassettes. In three days the company sold £283 of stock. It also staged a disco-theque, which attracted 150 people, and added about £30 to the accumulated profit.

But, Christmas over, the pen-supplier withdrew the sale-or-

Most thought that it had, but apparently not in any specific way that Professor Butterworth had hoped for. True, the majority wanted (unlike university students generally) to work in industry. But this had been the case before the exercise started, and had not been much changed by it. One young man said that, intending to work in production, he had concentrated on it in his company; he now wanted to work in marketing.

The students' overwhelming view was that, while the exercise had been and would continue to be a worthwhile part of the course, it should not be carried out at a time when it conflicted with the "really important work" of revising for final examinations.

Professor Butterworth accepts that this is a problem, and hopes to find some way of lessening it. But he still feels that company-running is worth retaining as a later part of the course for future years.

As a non-academic observer, I would agree. The lessons of experience are such that, very often, people are not conscious of them at the time they are being learned. But the lessons, nevertheless, tend to come to the mind when it is challenged by an analogous experience years later. Since, as British education is at present, running a company is a thing utterly apart from the bulk of student life, the Leeds undergraduates may well have learned a lot from the exercise without being aware of it.

I hope this is so, because the one specific lesson that several of the students said they were conscious of, seems somewhat questionable. It is that "even today, making money is not difficult if that is what you really want to do." Really?

## Ball-points

In contrast to Kusby-Number, the Blenheim Company (named after the terrace where the Leeds Management Department is sited) first took to wheeling and dealing.

It got hold of a stock of attractive ball-point pens, not only on sale-or-return, but also on credit. These cost 80p each, and Blenheim slapped them on the university students' union market just before the Christmas vacation at 99p, compared with £1.25 for the same article. It did not sell do-it-yourself gift wrapping, but it did factor tape-recorder cassettes. In three days the company sold £283 of stock. It also staged a disco-theque, which attracted 150 people, and added about £30 to the accumulated profit.

But, Christmas over, the pen-supplier withdrew the sale-or-

## Shareholders

With hours ranging from about 40 to 14, total pay is varying between £8 and £28. But the Blenheim worker-directors apparently think that a dividend of only 10 per cent is good enough for the shareholders.

When I talked in members of both companies last week, none would agree that the company's running exercise had in any important way added a real world dimension to their theoretical management study. This is not to say they felt the exercise had been valueless to them.

## Letters to the Editor

### ductive ital

P. G. Caudle, Director, c. A. B. Chemicals, to Association. Geoffrey Owen's article 5 shows a depressing gap between the value obtained in the U.K. manufacturing investment achieved by our major industries and the value obtained in the U.S. This gap applies to all industries, however, we call attention to the performance of the chemical industry, with our toughest steel.

West Germany, if total output is compared on a five-year average basis, allowing a lag between investment and usable capacity, the ratio of output to expenditure is 1.2:1. Actual cost, value £/DM.

U.K.	W. Germany
0.78	n.s.
0.79	n.s.
0.80	n.s.
0.74	0.87
0.69	0.86
0.60	0.87
0.58	0.78
0.74	0.78
0.78	0.65

According to output trends 2 years later.

Department of Industry and the Chemicals.

Swansea has been made capacity (on which no data are available) so ratios reflect the cost of technical and planning and performance.

It is the U.K. Chemicals has caught up with the industry. Reasons: one, to explain why the industry is not doing as well as it should; two, to explain why the industry is not doing as well as it should.

For the reasons, it is that at least one U.K. industry which last year for 18 per cent manufacturing investment, a competitor in relation, ineffective use of investment.

House of Commons, S.E.1.

ids for

istry

Chairman, Investment Sub-Committee on Funds.

Coal Board.

White Mr. P. N. Risk, head of the public relations activity to make the organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

working capital. He therefore does less than justice to those who have foreseen this, and laboured to create a new source of investment funds to meet the emerging needs.

At that time it will be necessary to ensure that every possible source of help is available to support the resurgence of industry so that it can provide the right kind of capital and support substitution, and create the new jobs and bring unemployed men, women and also to benefit the economy of the country.

Burying pieces of paper on the Stock Exchange alone will not help; support for properly priced shares is needed to finance expansion. It is a "must" for the institutions; equally there must be a readiness to finance industrial developments by any other suitable route, but there will still be many companies who, because of the difficult trading conditions of recent years, will not be in the right posture to go to the market. Here I am not thinking of "lame ducks," since it is no part of institutions' (or trustees') responsibilities to lay out funds on the basis of control on risks which are not of a reasonable commercial nature.

If there has been a shortcoming in the City in the past, it has arisen from an understandable but regrettable short-term, outburst, undoubtedly created by the factors enumerated by Mr. Risk and which, if this country is to re-establish itself, must be corrected by restoring confidence that investment will be allowed to earn a reasonable return. Industry does not operate on a short-term basis and neither do most institutions. They therefore have a common interest in the longer-term welfare of the economy of the country, rather than in the "candy-flies" economy which has dominated the markets in the past ten years.

I am glad to say that the trustees of the National Coal Board Pension Funds recognise the need to ensure that the industrial power of this country is properly supported and to this end they have set up a corporate finance scheme to provide funds for the building of new factories or to re-equip them with modern plant and machinery. This they recognise can help safeguard the well-being of the rest of their investments.

I hope that the trustees of other institutions will also be ready to take a longer-term view in some of their investment decisions and be prepared to support the Equity Investment Bank when it is created, as my trustees propose to do.

D. M. Clement, Grosvenor Place, S.W.1.

PR at Board level

From Mr. N. Lenth

Sir—Nicholas Leslie's report (March 9) that a few top executives of major public companies are now expressing the belief that public affairs appointments may raise main-board positions, draws attention to a significant weakness in much of British industry's strategic thinking.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

It is right for Rowater's Lord Eridon to emphasise that a big corporation must be prepared to spend time and money on public relations activity to make the public organisation is properly understood. This is only one of the many problems of the public relations function—and it is the one which industry consistently neglects to its own serious disadvantage. It is to make the organisation understood, the organisation understood, the organisation understood, the organisation understood.

world outside. With a few notable exceptions, industry is slow to see that developments in social and political spheres, for example, exert a powerful influence upon the acceptability of a company's products and services.

The role of public relations as the means by which an organisation can "fine tune" to the changing patterns of the community's needs and aspirations, must be further developed by British industry. Main Board status for the director of public affairs is not only a recognition of this need, but a welcome assurance of positive action.

Michael Leach, Group Director, Burson-Marsteller, 25, North Row, W.1.

Just talk among yourselves

From Mr. J. Gillies

Sir—I enjoyed the article by Mr. J. Trafford (February 25) because I have for some time been convinced that this effort to communicate essential information to all employees is of vital importance to everyone if we are to maintain and improve the standard of living in the U.K.

Certain points require emphasis in my view. The credibility gap is between the employee's impression of his own individual contribution to the company's productivity and the company's results for a period. The gap is very wide and difficult to span—more difficult in some cases than others.

No employee thinks he is overpaid, so he starts with a pre-conceived notion. The salesman sees his contribution more clearly than anyone else. The production staff can also see their contribution but invariably find it hard to understand the need for so much ancillary expenditure on sales, advertising, administration, research and development, etc., and furthermore, have less opportunities to discuss the progress of the business. The non-productive worker has sometimes more reason to fear that his contribution could be dispensed with at any time and especially in an economy drive, but he has generally the benefit of discussion with his colleagues which allows him to talk-out his worries and thus put his mind at rest, at least to some extent.

The main effort would seem, therefore, to be necessary with regard to the productive worker who is the least likely to take advantage of reading material issued by the company. There is thus in his mind, a supplementary credibility gap. We ought to explain the need for ancillary services provided by non-productive staff. To try to discuss this, however, with productive workers in any large organisation in detail will ensure that you lose your audience before you start. I suggest therefore, that the analogy of the small business started by one man with his own money, everyone's dream, can grip the attention of most people.

It is better to try to bridge the credibility gap as new employees join the company. At that stage, they are in their most receptive state and have not yet been indoctrinated with the employees' favourite misconceptions. This will also afford an opportunity to assess a new employee's likely attitude to work and his effect on his colleagues.

To leave the running of induction courses to personnel management, or indeed to any management of the company, may well be a mistake. Personnel management should be taking advantage of the opportunity to assess the new recruits who may

soon become part of the hard core and must be encouraged to talk, even if only over a cup of coffee. The whole question of investment, for example, could best be passed over to someone able to discuss the subject freely in general terms and to refer to examples of personal experience without being expected to discuss the company's own business and financial position.

There is no easy solution to this problem, but clearly more effort must be made to solve it.

J. D. Gillies, P.O. Box 1608, Ndola, Zambia.

Tory Party candidates

From Mr. D. Jeffcock

Sir,—Mr. Cawdry (March 10) criticises the Conservatives for adopting too many candidates who are "barbarians, merchant bankers, underwriters, military men, backroom boys with aristocratic and Eton, Oxford, and Cambridge connections." It is at least arguable that the decline of the Conservative Party dates from the time its selection committees started to look askance at such people.

In addition, it is news to most of us that the "local gentry" lap such candidates up in "south coast" constituencies any more or less than they do in Yorkshire, where I have stood as a Conservative and whence Mr. Cawdry writes.

David Jeffcock, 71, Cambridge Street, S.W.1.

Not churned out

From The Prospective Conservative Parliamentary Candidate for Erdington

Sir—I take great exception to Mr. J. A. G. Cawdry's letter (March 10) about Conservative Central Office "churning out" candidates.

I have been a member of the Conservative Party for 11 years, and since joining the Young Conservatives at 17 have worked my way through the ranks. I have now fought my way to become a prospective parliamentary candidate.

I am neither a barrister, merchant banker, underwriter, military man, or a backroom boy with aristocratic, Eton, Oxford and Cambridge connections. I am, however, the product of a red brick grammar school, and proud to be so. I am also proud that I will be carrying the flag of conservatism into battle at the next General Election.

I suggest that Mr. Cawdry gets out on the street corner and meets the grass root candidates at work before casting everyone in the same mould.

John E. C. Alden, 216, Harborne Lane, Selly Oak, Birmingham

Sub-contract local works

From Mr. B. Feldman

Sir—So used are local authorities to assuming that their monopoly of all local services is both healthy and permanent that they think only in terms of drastic cuts in expenditure, sometimes accompanied by a reduction in the rate and sometimes not. Thus it is the ratepayer who suffers, in varying degrees, from depleted services without any guarantee of a corresponding rate reduction.

services bought to be is the empirical market test of profit and loss. This test, however, is not universally applicable to all local authorities' services in this country. Welfare and social services and the police, for instance, must remain, by their non-competitive and essential nature under the control of local authorities.

Nevertheless, there are services often known as "less essential", such as local authorities could subcontract to private firms. Some of a local authority's public transport system could be hired off to a private transport firm; public swimming baths could be run by a private firm; a private contractor could maintain and construct roads; its direct labour department could be reduced in size in favour of a private building contractor.

Still using local authority workers, parks and gardens could be tended by a private gardener firm and refuse collected by a private contractor. Similarly, town planning and development could be offered to private architects and town planning consultants. This proposal of "privatisation" would play a vital role in the balancing of local authorities' budgets.

In all these cases, a local authority would ask private firms to submit competitive tenders for an annual contract, renewable or not at the end of the year, or at the end of 12 months, and it would obviously accept the most attractive tender. This would save the local authority a considerable amount of money annually. Some of this saving could be put into a contingency fund as a hedge against further inflation, and the rest could be passed on to the ratepayer in the form of a reduced rate. Private firms who secured these local authority contracts would have to be both efficient and as cheap as possible in order to ensure that their contracts were renewed yearly.

Both the ratepayer and the taxpayer would benefit from these changes because rate support grants to local authorities from central government would be correspondingly lowered, as would, therefore, the level of taxation.

B. S. Feldman, Housing Management Committee, County Hall, S.E.1.

Why there is less suet

From The Public Relations Officer, National Federation of Meat Traders

Sir—Your correspondent Dorothy A. Fry (March 11), in her quest for suet, was unfortunate. The young so-called butcher who classified it as rubbish which is thrown away is not a butcher at all and he who said it was "more convenient to deliver beef without suet these days" is inaccurate.

It is in short supply because many wholesalers have to conform to an E.R.A. regulation requiring the tallow knoth, that is, the suet, to be stripped out when the carcass is dressed. Many butchers, would, in fact, prefer it left in and would sympathise with her and, indeed, anyone who so obviously prefers the real thing to the processed article.

Many butchers would be more helpful than the two quoted and if the latter experiences further difficulty and care to contact me, I will ensure that she has the wherewithal to make quantities of the most delectable puddings, with the compliments of the National Federation of Meat Traders.

L. A. T. Moss, 20, Linkfield Lane, Redhill, Surrey.

## To-day's Events

Mr. Denis Healey, Chancellor of the Exchequer, attends SEC Finance Ministers meeting, Brussels.

Chrysler U.K. management and unions meet Department of Industry officials to discuss company's planning agreement with Government.

Law of the Sea conference reconvenes, New York.

Mr. Edward Bishop, Minister of State, Agriculture, inaugurates Food Manufacturers' Federation two-day conference, Grosvenor House, W.1.

Mr. Michael Heseltine, Opposition spokesman on industry, addresses Insurance Institute of London on "The Institutions, Insurance and Investment," 20, Aldermanbury, E.C.2.

Mrs. Anne Armstrong, U.S. Ambassador, opens exhibition of American Process Control Instrumentation, U.S. Trade Centre, 4-5, Langham Place, W.1.

Sir Lindsay Rine, Lord Mayor of London, attends Plumbers' Company dinner, Mansion House, E.C.4.

PARLIAMENTARY BUSINESS: House of Commons: Development Land Tax Bill, second reading. Motion on Local Loans (Increase of Limit) Order.

House of Lords: Statute Law Revision (Northern Ireland) Bill, third reading. Civil Aviation Policy Guidance, motion for approval. International Carriage of Perishable Foodstuffs Bill, com-

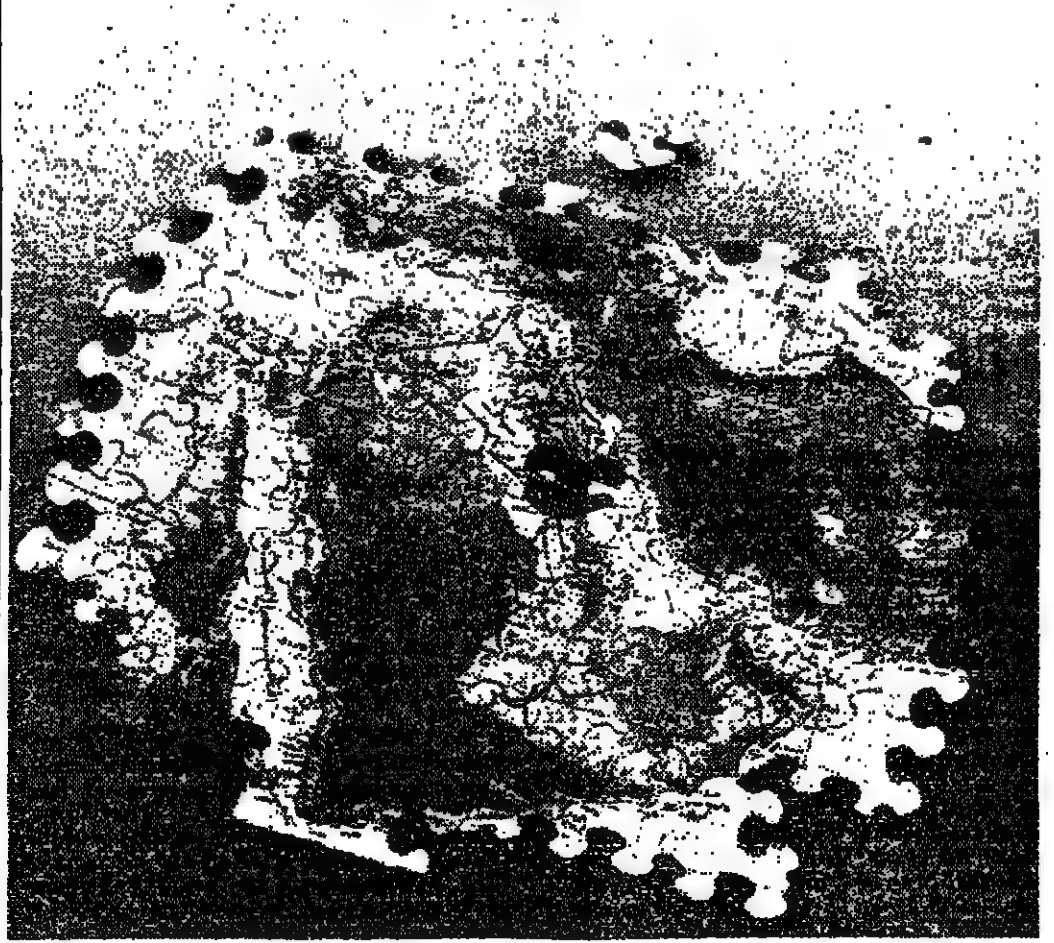
mittee. Debate on transport and communications in Scotland. OFFICIAL STATISTICS: Retail trade (February—provisional). Turnover of catering trades (January).

COMPANY RESULTS: Leamy Products (full year). Rugby Portland Cement (full year).

COMPANY MEETINGS: See Week's Financial Diary on Page 8. OPERA: English National Opera production of Donizetti's Mary Stuart, Coliseum Theatre, W.C.2, 7.30 p.m.

MUSIC: Keiko Tokunaga shows piano recital of works by Mozart, Beethoven, Chopin, Albeniz, and Scriabin, Wigmore Hall, London W.1, 7.30 p.m.

## We put you in the right place at the right time.



The right place for business these days is the Middle East. And six times a week, Kuwait Airways fly out from London to Kuwait. We take more businessmen on this flight than any other airline.

One reason is that we're exceptionally punctual. In fact, we insist on our Boeings being ready and waiting the night before. Another attraction is that since we're based in the heart of the Arab world, we know the area and the people very well indeed. Businessmen appreciate this

knowledge. Because it means we can tell them who to contact on all kinds of matters. From finance to planning permission or local conditions.

On the trip you'll get the care and attention you'd expect from a national airline. You can relax and watch a film, or wind down to the sounds of your own personal 6 track stereo.

So, if you're off to Kuwait, the Gulf or anywhere in the Middle East, fly with us. We'll get you to the right place at the right time.

## KUWAIT AIRWAYS

At the heart of the Arab business world

LONDON: 164 Park Road, Tel. 01-499 1681. Heathrow Airport Tel. 01-759 7744. GLASGOW: 124 St. Vincent St. Tel. 041-248 3588. MANCHESTER: 218 Royal Exchange Bldg. Manchester M2 2DD Tel. 061-974141. STOCKHOLM: Berger Jargum & Partners, 887, KAC Representeri 104977, Sales Office and Reservations 214113.



# COMPANY NEWS + COMMENT

## Cope Allman first half setback

ON SALES up from £53.57m. to £55.43m. group pre-tax profits of £2.23m. Cope Allman International fell sharply from £3.56m. to £1.62m. in the half-year to December 31, 1975.

However, the directors look for second-half profit to be in excess of the £2.23m. for the corresponding period of 1975. Earnings per share for the first half decreased from 4.36p to 1.57p. An unchanged interim dividend of 1p net is declared, payable June 25, and the directors intend to raise the total from £3.525p to £2.8075p—the current maximum permitted.

The reduction in profit is in line with the chairman's indication at the AGM last December. A large part of the decline occurred at the international packaging operations where sales were well down in volume terms as a result of de-stocking by customers, and margins were under severe pressure due to cost inflation and price controls, particularly those ruling in France, the directors state.

In addition, the steel rolling mill experienced a low level of order intake. Although price controls still exist, the drastic de-stocking appears to have ended and the second half-year has shown a positive improvement in the level of order intake in most of the operations where activity has been depressed over the last 12 months.

The policy of capital re-equipment and stock re-building is being pursued in order to take advantage of the anticipated worldwide upturn in business, and the directors consider that the group's facilities are fully adequate to meet its projected financing requirements.

Exports from the U.K. to non-group customers amounted to £6.83m. during the six months (£5.47m.). Tax on overseas profits, including deferred tax, is abnormally high due to the fact that certain subsidiaries in Europe incurred losses during the period, which cannot be offset against other group profits for tax purposes, it is stated.

**Capeals**  
First-half pre-tax profit of the packing material making subsidiary, Capeals, slumped from £205,000 to £73,000, reflecting the depression in the paper industry, particularly at the paper making offshoot, Grove Mill Paper Company.

The directors report, however, that there has already been some improvement in business at all subsidiaries and they confidently expect that the trading profit for the year will be in excess of £0.5m., compared with £1.02m. in 1974. Because of the group's financial strength it is intended to increase the year's dividend from 1.405p to 1.50p.

**Penrad Group Limited**  
**Announcement of Results for 1975**  
**Proposed Rights Issue**

Extracts from the Chairman's statement  
Mr. K. W. C. Grand announced on 12 March a disappointing outcome for a year in which the new plant and radiator company had been running well. The overall group loss after tax was £298,348.

Proposed issues 2 issues were proposed to provide additional capital one of £100,000 redeemable preference shares to the Secretary of State for Wales, and a one for two rights issue of convertible preference shares to raise £203,600. Full details had been circulated to shareholders, with a summary of future prospects.

Recent Board changes Mr. Tony Morgan joined the board as Chief Executive in January 1976. The Report and Accounts and the Circular are available from The Secretary, at Penarth Dock, Glamorganshire. AGM and EGM 11.30 am 5 April 1976, Great Western Royal Hotel, London, W2.

### HIGHLIGHTS

On a thin weekend for items of company news, Lex discusses the status of clearing bank shares, after the recent spate of results and reports and accounts, and also takes in an assessment of general sector price performance, since the most recent market peak in January. Elsewhere, Cope Allman, afflicted by the recession in both packaging (where heavy losses have been made) and engineering, has turned in more than halved interim pre-tax profits, although packaging in particular seems now to be on a recovery tack. The week's company news list contains a string of important names. Rugby Portland Cement produce preliminary figures later to-day, while on Tuesday, BICC also reports on its full year experience. Wednesday sees preliminary results from Thomas Tilling and Hepworth Ceramic, together with interim figures from Brooke Bond Liebig. Further evidence of the recovery in oil company fortunes is expected on Thursday when British Petroleum reports on its final quarter.

1.3455p net per 5p unit. An interim of 0.7p (0.668p) is declared payable June 25. Earnings for the half year decreased from 2.03p to 0.29p.

Last January it was decided to close the paper making activity. Because of the high capital intensity it has not been possible to reduce costs further at Grove Mill, and in the six months it incurred a trading loss of £134,000. Extraordinary losses resulting from the closure of Grove Mill before taking into account profits or losses on the sale of the company's property and manufacturing plant, are estimated at £258,000 after tax relief.

It is not possible at this stage to assess the likely sales prospects of the Mill's fixed assets, but negotiations are in progress. It is hoped to quantify the full net cost of the closure in the accounts for the year.

The cash position will be further strengthened by the elimination of the unprofitable activities of Grove Mill and Capeals Tubes. The directors consider that there are sufficient resources available, both to finance the increased level of trade which will result from the anticipated upturn in the economy, and to enable them to continue to look for new investment opportunities.

comment  
A £1.8m. turnaround to losses by the packaging side, and a sharp drop in profits by the engineering division have cut Cope Allman's interim profits by 34 per cent. before tax. The former was still suffering from world wide de-stocking, while the latter, which was the main growth area last year, experienced an abrupt drop in demand as the U.S. market dried up. This has apparently started to pick up in the second six months of the year and there has also been evidence of an improvement in packaging orders, particularly at Capeals where the drop in profits has been shorter lived than elsewhere. This points to a full year profit of around £0.5m. pre-tax which would cover the forecast dividend, yielding 10.9 per cent at 40p, roughly twice and put shares on a prospective p/e of 6.8.

There is no final dividend—an interim of 0.1p net per 20p share has been paid to maintain trustee status. The payment for 1973-74 was also 0.1p.

The 18-months pre-tax profit comprised a group net loss of £27,237 (£73,080), profit on sale of Investments £11,702 (£133,303), share of associate's net income £1,522 (£17,682) and profit on sale of associate's investments £402 (£4,912).

An extraordinary debit of £171,188 (credit £3,072) represents the loss on the sale of Authority's holding in an associate company—Northern Commercial Trust—to Algemene Bank Nederland.

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

## Scottish Eastern sees rise

THE DIRECTORS of the Scottish Eastern Investment Trust say it will be a disappointment if there is not some increase in gross income in the current year.

From recent estimates and forecasts, there should be a considerable improvement in U.S. company profits in 1976, they state. For the U.K. and other parts of the world the outcome is much less predictable.

After the sharp rise in equity prices in Wall Street and London, a setback will not be surprising, the directors add, and they consider it prudent to hold a small percentage of funds on deposit to take advantage of any downturn.

As reported on February 20 with net asset values, gross revenue for the year ended January 31, 1976, amounted to £3.35m. against £3.49m. The net dividend total is £2.39p.

To reduce disparity, the directors intend to increase the interim dividend, due in October, from 0.875p to 1p net, but at this stage it should not be assumed that there will be a higher total for the current year.

Meeting, Edinburgh, April 5 at 12.30 p.m.

comment

A £1.8m. turnaround to losses by the packaging side, and a sharp drop in profits by the engineering division have cut Cope Allman's interim profits by 34 per cent. before tax. The former was still suffering from world wide de-stocking, while the latter, which was the main growth area last year, experienced an abrupt drop in demand as the U.S. market dried up. This has apparently started to pick up in the second six months of the year and there has also been evidence of an improvement in packaging orders, particularly at Capeals where the drop in profits has been shorter lived than elsewhere. This points to a full year profit of around £0.5m. pre-tax which would cover the forecast dividend, yielding 10.9 per cent at 40p, roughly twice and put shares on a prospective p/e of 6.8.

There is no final dividend—an interim of 0.1p net per 20p share has been paid to maintain trustee status. The payment for 1973-74 was also 0.1p.

The 18-months pre-tax profit comprised a group net loss of £27,237 (£73,080), profit on sale of Investments £11,702 (£133,303), share of associate's net income £1,522 (£17,682) and profit on sale of associate's investments £402 (£4,912).

An extraordinary debit of £171,188 (credit £3,072) represents the loss on the sale of Authority's holding in an associate company—Northern Commercial Trust—to Algemene Bank Nederland.

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

## Berisfords confident of growth

IF THE LEVEL of business at Berisfords continues through 1976 as it has started, then the chairman Mr. J. P. Sebire is confident that the company "will resume its forward progress".

The directors look forward to 1976 with confidence and a better order book than at this time last year, he says, but costs continue to rise "at an alarming rate", particularly as a result of a recent wage award. There is great resistance to increases in selling prices and the company is not able to recover all the increases to which it is subject. For this reason the search continues for ways of reducing overheads and for any other practicable economies.

re-reported on February 20, pre-tax profits fell from £572,377 to £543,713 in the year to November 24, 1975. The dividend is 1.90p net (same).

Results were disappointing Mr. Sebire tells members particularly in traditional markets, but there was an improvement in the late autumn which has since been well maintained, and the directors are hopeful that the year will show a marked recovery.

In view of the textile recession in 1975, they feel that the versatility of products has saved the group from a major cut-back in profits. Because of the different types of plant Berisfords has been able to adapt to new opportunities, adds the chairman.

Meeting, Consett, Cheshire, on April 6 at 11 a.m.

Chairman's statement, Page 26

comment

A £1.8m. turnaround to losses by the packaging side, and a sharp drop in profits by the engineering division have cut Cope Allman's interim profits by 34 per cent. before tax. The former was still suffering from world wide de-stocking, while the latter, which was the main growth area last year, experienced an abrupt drop in demand as the U.S. market dried up. This has apparently started to pick up in the second six months of the year and there has also been evidence of an improvement in packaging orders, particularly at Capeals where the drop in profits has been shorter lived than elsewhere. This points to a full year profit of around £0.5m. pre-tax which would cover the forecast dividend, yielding 10.9 per cent at 40p, roughly twice and put shares on a prospective p/e of 6.8.

There is no final dividend—an interim of 0.1p net per 20p share has been paid to maintain trustee status. The payment for 1973-74 was also 0.1p.

The 18-months pre-tax profit comprised a group net loss of £27,237 (£73,080), profit on sale of Investments £11,702 (£133,303), share of associate's net income £1,522 (£17,682) and profit on sale of associate's investments £402 (£4,912).

An extraordinary debit of £171,188 (credit £3,072) represents the loss on the sale of Authority's holding in an associate company—Northern Commercial Trust—to Algemene Bank Nederland.

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

A statement of retained earnings as at September 30, 1975, compared with March 31, 1974 shows £147,356 (£763,134) at the beginning of the period. Share of associate's share premium £275,804 (£1,128,200). Share of associate's share premium £275,804 (£1,128,200). From capital reserve £60,488 (to reserve £245,671).

Authority's share of the retained earnings of Northern Commercial Trust brought forward at the beginning of the period have been eliminated.

## Lower interest rates affect NatWest

GROWTH in domestic banking business in 1975 has been considerably slower than in the previous year, Sir John Pridmore, chairman of National Westminster Bank, says in his annual statement.

Sterling deposits showed only a "moderate" increase, and demand for bank finance from trade and industry remained depressed throughout the year. The bank was able to reduce considerably its reliance on wholesale money market funds. The main area of growth, the chairman states, was on foreign currency deposits and advances, "the earnings on which supplemented those from continued expansion of our international business in general".

Profits showed a fall from £120.3m. before tax to £104.4m. after setting aside additional provisions of £40m. against advances compared with £45m. in the previous year. Results were affected, the chairman says, by lower interest rates, with base rate averaging 10.46 per cent throughout the year against 12.33 per cent in 1974.

Figures were also affected by substantial rises in operating costs, including postal charges, heating and lighting and rates as well as a wage bank rate payment to local authorities. Sir John points out, rose from £2m. to £13.3m.

At the end of the year, total assets had risen from £13,800m. to £14,660m.

Ordinary capital £182,321, Reserves £41,722, Other income funds £46,525, Preference capital £13,672, Loan capital £14,002, Minority £37,101, Provisions £14,519, Current account £13,584,000, Other liabilities £28,535, Land assets £3,224,000, Investments £24,798, Certificates of deposit £22,861, Investments £22,861, Customers etc. £2,235,000, Plant and machinery £2,235,000, Other assets £2,235,000, Promises and deposits £2,235,000, Total assets £14,660,000.

Commenting on the recent difficulties in the banking system, the chairman argues that the demonstrated need for banks to maintain a certain level of liquidity, including retained earnings, to meet the abrupt changes that can occur in their own cash flow and to be able to absorb losses at times of economic stress.

While welcoming proposals for inflation accounting, Sir John says that because of the major issues

of principle which remain to be settled, inflation-adjusted accounts were not practicable for 1975. He argues, moreover, that banks and other financial institutions need to retain part of their profits in order to maintain levels of free capital which are needed to support growth in net monetary assets arising purely from inflation.

"It is our







## INTERNATIONAL COMMERCE NEWS EURO MARKETS

## EUROBONDS

## Bracing for EEC borrowing

BY PAULINE CLARK

IN SPITE of fears to the contrary, the Eurobond market last week showed little sign of being unnerved by the prospect of a major borrowing by the EEC to help finance its planned \$13bn. credit to Italy and Ireland.

Prices in the secondary market were slightly easier on the week but this was put down to a move towards greater selectivity by investors after the problems surrounding South African issues recently. A stream of new issues continued to flow into the primary market, the latest being a \$500m. debenture offering dated 1982 from Banque Com-

dienne Nationale. A coupon of 8 1/2 per cent is anticipated. The EEC financing through the Eurobond market is, however, expected to cause a hiatus of possibly a week or two in the announcement of other new issues. Now that the medium term \$300m. five year loan has been syndicated as the first part of the package, details of both a \$300m. and DM500m. offering are expected to be announced today.

## Indices

## NEW YORK

## DOW JONES AVERAGES

Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8
22,500.00	22,450.00	22,400.00	22,350.00	22,300.00
22,450.00	22,400.00	22,350.00	22,300.00	22,250.00
22,400.00	22,350.00	22,300.00	22,250.00	22,200.00
22,350.00	22,300.00	22,250.00	22,200.00	22,150.00

## STOCK AND BOND YIELDS

## NEW YORK

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## STOCK AND BOND YIELDS

## Bofors earnings up by 11.7%

By William Duffell

## STOCKHOLM, March 14

BOFORS, Sweden's armaments, steel and chemicals concern, increased its pre-tax earnings by 11.7 per cent last year to Kr1.12m. (€16.2m.) after a 12.5 per cent rise in turnover to Kr1.7m. (€200m.). These results show Bofors to be one of the few Swedish conglomerates to improve overall earnings during the recession of 1975.

New orders received during the year rose by 20 per cent to Kr2.7m. (€317m.), a measure of the relatively firm demand and price levels for Bofors' products.

Bofors has experienced a severe structural rationalisation from 1972 onwards under its new managing director Claes-Dirk Winberg and started to expand cautiously after 1973, using cash flow for the most part. In 1974 pre-tax earnings hit a new peak of Kr1.27m. after Kr42m. in 1973—although Mr. Winberg told the annual meeting last April that the return on capital employed was still too low.

## The preliminary report for 1975 puts adjusted earnings per share at Kr39.60 compared with Kr32 in the previous year.

## Pre-tax earnings for Iggesund, the forestry industry steel concern, fell by 75 per cent from Kr29m. in 1974 to Kr7.2m. (€86m.) last year after a drop of 15.9 per cent in turnover to just over Kr1.1m. (€135m.). The fall from 24.7 to 20.3 per cent in trading margins indicates the scale of slump, writes William Duffell.

## Earnings in the current year are expected to be "at best of the order of 1975, unless the business cycle improves more rapidly than now seems probable, the managing-director, Mr. Lars Sundblad, says in the preliminary report for last year.

## Iggesund is Europe's biggest producer of carbon, for which demand had been steadily increasing until last year, when a fall in sales coincided with a drop in demand for timber and a recession on the steel market.

## The Kvaerner shipbuilding and engineering group of Norway has seen pre-tax profits of Kr4.85m. in 1975 compared with Kr4.35m. in 1974, writes Fay Gjester. Group turnover rose by 47 per cent to Kr1.965m. The group regards the results as satisfactory in view of the conditions prevailing last year. It adds, however, that some divisions need new orders so if present employment is to be maintained. An unchanged 10 per cent dividend is proposed.

## AUSTRALIAN WEEKLY LIST

Company	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8
Adelaide Petroleum	1.39	1.38	1.37	1.36	1.35
Adelaide Petroleum	1.39	1.38	1.37	1.36	1.35
Adelaide Petroleum	1.39	1.38	1.37	1.36	1.35
Adelaide Petroleum	1.39	1.38	1.37	1.36	1.35
Adelaide Petroleum	1.39	1.38	1.37	1.36	1.35

## TEL AVIV STOCK EXCHANGE

Company	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8
Bank Leumi	107	106	105	104	103
Bank Leumi	107	106	105	104	103
Bank Leumi	107	106	105	104	103
Bank Leumi	107	106	105	104	103
Bank Leumi	107	106	105	104	103

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## HONG KONG

## JOHANNESBURG

Company	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8
Anglo American	1.39	1.38	1.37	1.36	1.35
Anglo American	1.39	1.38	1.37	1.36	1.35
Anglo American	1.39	1.38	1.37	1.36	1.35
Anglo American	1.39	1.38	1.37	1.36	1.35
Anglo American	1.39	1.38	1.37	1.36	1.35

## CANADIAN WEEKLY LIST

Company	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8
Alcan	1.39	1.38	1.37	1.36	1.35
Alcan	1.39	1.38	1.37	1.36	1.35
Alcan	1.39	1.38	1.37	1.36	1.35
Alcan	1.39	1.38	1.37	1.36	1.35
Alcan	1.39	1.38	1.37	1.36	1.35

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## SINGAPORE STOCKS

## OVERSEAS SHARE INFORMATION

## NEW YORK



دلیل و اسباب

دلیل و اسباب

دلیل و اسباب

دلیل و اسباب

دلیل و اسباب

دلیل و اسباب





## Dfls. 60,000,000.- 6 1/4% bearer Notes of 1972 due 1976, 1979 of NEW ZEALAND

As provided in the Terms and Conditions of Redemption Group No. 1, amounting to Dfls. 15,000,000, has been drawn for redemption on March 1, 1976 and consequently the Note bearing consecutive number 1 and all Notes bearing a consecutive number which is 4 or a multiple of 4 higher than 1 are payable on

April 15, 1976

at  
Amsterdam-Rotterdam Bank N.V.  
(Central Paying Agent)  
Algemeen Bank Nederland N.V.  
Bank Mees & Hope N.V.  
Pierson, Helderling & Pierson N.V.  
in Amsterdam  
S. G. Warburg & Co. Ltd.  
in London  
Commerzbank Aktiengesellschaft  
in Frankfurt/Main  
and  
Banque Générale du Luxembourg S.A.  
in Luxembourg.

March 15, 1976

## BERISFORDS LIMITED

Manufacturers of ribbons, labels, trimmings and lampshades.

Extracts from the Statement of the Chairman John F. Sebire, and from the Annual Report for 1975.

Flexible production facilities enabled us to maintain full employment during the most severe recession in the textile industry since the 1930's.

Profits of the year were the second highest in the history of the company.

Improvement in trade has recently spread to all divisions and if the present level continues, I am confident we shall resume our forward progress.

	1975 £	1974 £
Turnover	5,354,851	4,981,691
Profit	543,713	672,377
Taxation	289,072	350,692
Net Profit	254,641	291,685
Dividends (net)	80,600	80,600

Copies of the Annual Report available from the Secretary, Berisfords Ltd., P.O. Box 2, Congleton, Cheshire, CW12 1EF.

## THE STERLING TRUST, LIMITED

(Incorporated 1881)

An Investment Trust with Trustee Status

Year ended 31st Dec.	Total Assets	For each 25p Share Value Earned Paid
1971	35,132,696	193 4.65 4.57
1972	41,940,352	231 3.17(a) 4.50(b)
1973(c)	30,537,107	160 3.98 3.50(net)
1974	20,119,818	92 4.25 3.85(net)
1975	32,850,793	175 4.37 4.10(net)

(a) Excluding £104,988 gross revenue, payment of which was delayed for tax reasons.  
(b) Gross equivalent.  
(c) Issue of £3,062,500 5% Convertible Unsecured Loan Stock and redemption of £1,443,760 3½% Debenture Stock 1963/73.

Distribution of Investments as at 31st December 1975  
United Kingdom & Commonwealth (excl. Canada) 59.7%  
North America 36.3%  
Other Countries 4.0%  
Cash 100.0%

Secretary: INVESTMENT TRUST SERVICES LTD., 11, Walkway, London, EC4N 3ED  
A member of the Association of Investment Trust Companies



## Cope Allman International Limited

Interim results (unaudited) for the half year to 31st December 1975

	6 months to 31.12.75 £000	6 months to 31.12.74 £000	Year to 28.6.75 £000
Group Sales	55,425	53,573	107,403
Profit before Tax	1,622	3,561	5,807
Profit after Tax and Minority Interests (Earnings Attributable)	715	1,665	2,506
Earnings per share	1.87p.	4.36p.	6.56p.

- Group profit is in line with Chairman's indication at the A.G.M. Decline from previous year arose mainly in International packaging operations.
- Second half year has shown positive improvement and, subject to this continuing and to final outcome of currency movements now taking place, profits for the second half year will be considerably in excess of those for the comparable period in 1975.
- Exports from U.K. were £6,832,000 (1974 - £5,468,000).
- The charge for tax is abnormally high due to the fact that certain European subsidiaries incurred losses which cannot be offset against other group profits for tax purposes.
- Directors intend to recommend dividends for the year totalling 2.8078p. per 5p. Ordinary Share (1974/75 - 2.5525p.) which is maximum permitted under current legislation limiting increases to 10%. Directors have declared an interim dividend of 1p. (1974/75 - 1p.) per share (amount absorbed £383,000) which is payable on 25th June 1976. Final dividend will be paid in February 1977.

For greater efficiency in civil air traffic communications before the end of the century, a sophisticated satellite system will be needed. Michael Donne reports on a £35m. experiment

# An aircraft link with outer space

DURING the next few months, companies in the U.K., on the Continent and in the U.S. will be refining their plans to compete in one of the major new satellite ventures of the decade — the Aerosat plan to test a system of aeronautical satellite communications that may eventually lead to the establishment of a permanent global system.

The Aerosat, which is expected to cost up to \$35m. (more than £35m.), is an international collaborative venture to meet the growing need for a more efficient method of communication between the ground and airlines flying long distances over the sea in the last 20 years of this century when existing radio communications systems will be getting increasingly congested.

A Memorandum of Understanding, signed in 1974 between the European Space Agency (ESA), which comprises most European countries, including the U.K., among its members, the U.S. Federal Aviation Administration and the Canadian Government, provided for the development of an experimental Aerosat system for air traffic control and other communications between aircraft and the ground that would show whether or not a full-scale, follow-on global system was both practicable and desirable.

This experimental system now to be undertaken is divided into two parts. One is called the "Space Segment," including the development, production, launching and seven-year operation of two satellites, that will be placed in "geostationary orbit" about 22,340 miles high over the Atlantic, from the end of 1978.

This means that the two satellites will have their orbital speeds synchronised with the earth's rotational speed, so that effectively they will remain permanently in one spot, making the transmission of signals to and from them much easier.

## Assessment

There will be at least one Earth Station in North America, shared by Canada and the U.S., and one in Europe. Associated with each Earth Station will be a communications centre. It is expected that many airline aircraft will participate in the experiment (only in this way can its validity be truly assessed), with their costs being borne by the Aerosat programme.

The first satellite is expected to be ready for launching before the end of 1978. "Requests for Proposals" to build the satellites went to industry on both sides of the Atlantic on March 1, and the various groups of companies involved are now preparing their bids for submission by June 15. Thereafter, their bids will be studied by the Aerosat Space Segment Board and it is expected that the award of the contract will be made by November 15.

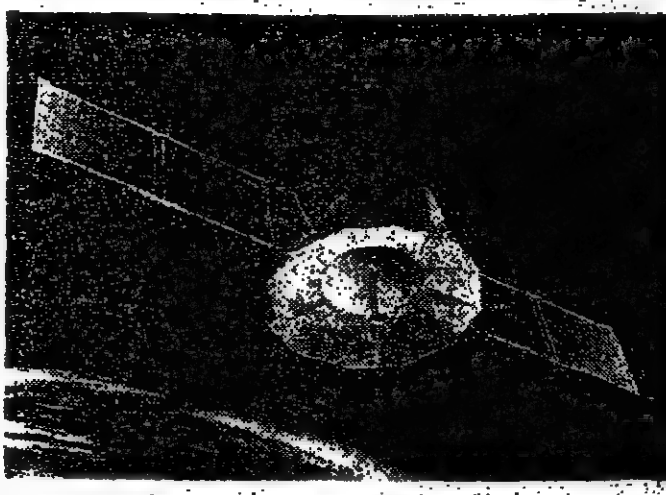
Three major groups of companies in Europe are preparing their submissions for the Aerosat programme. They are the MESH consortium, which comprises Hawker Siddeley Dynamics of the U.K., Engins Matra of France, Erno of Germany, Saab-Scania (Sweden) and Aeritalia (Italy), Inta (Spain) and Fokker-VFW (Holland). Associated with this group is TRW Systems of the U.S.

The second major group is the STAR consortium, which comprises British Aircraft Corporation, Thomson-CSF and SEP (France), Dornier System and Telefunken (West Germany), CGE-Fiat and Montedison.

## Space segment

This "Space Segment" is being managed by the Aerosat Space Segment Board, comprising representatives of the ESA, the Canadian Government and Comsat General Corporation, the big U.S. organisation specialising in communications satellites that is acting on behalf of the U.S. Federal Aviation Administration.

The second part of the Aerosat venture is called the "Coordinated Segment" which includes the provision of the ground systems, such as Aeronautical Satellite Communications Centres (ASCCs), Aeronautical Services Earth Terminals (ASET's), and



A Hawker Siddeley Dynamics artist's impression of the Aerosat. The first satellite is expected to be ready for launching before the end of 1978.

Laden of Italy, L. M. Ericsson of Sweden, Sener of Spain, and Contraves of Switzerland. This group is working closely with RCA of the U.S., which will be its prime contractor for the Aerosat submission.

The third major group is the COSMOS consortium, which comprises Marconi Space and Defence Systems of the U.K., ETCA of Belgium, Messerschmitt-Bölkow-Blohm and Siemens of West Germany, SAT and Aérospatiale of France, Selenia of Italy, and CASA of Spain. This group has as its partner U.S. General Electric Company.

It is expected that other major U.S. space companies will be submitting bids, such as Hughes, which is already the world's biggest manufacturer of communications satellites of all kinds.

The need for some form of satellite communications to replace existing techniques stems from the rapid increase in air traffic, especially over the long transoceanic routes, and the further expansion anticipated in the 1980s and beyond. At present, air traffic control and air-carrier communications for oceanic flights are almost entirely dependent on high-frequency (HF) voice radio circuits. Shore-based, extended-range VHF facilities provide communications for oceanic flights up to 200-400 miles from the coast; beyond that range, communications between aircraft and traffic control centres is by HF and is generally relayed through associated communications stations.

Because of the increasing volume of traffic anticipated in the latter part of this century requiring more accurate air traffic control and surveillance techniques as well as an improvement in other aspects of air-to-ground communications and because of the increasing

voice and other data transmissions to overcome. It has been suggested that some hostility in the U.S. where some Congressmen would be inclined to criticise the use of air traffic controllers by the FAA on a project "whose end the airlines for their own time has not yet come." Many communications purposes. Even in the airline industry, too, really it may be possible for while accepting the long-term passengers to make in-flight need for improvements in air traffic control techniques are so significant that eventually, in any permanent system the air-

## Global system

The Aerosat system now being developed (and hence their envisaged, however, is intended to be an experimental system for the evaluation of purposes only required in the aircraft and on and not a full-scale operational ground.

Reference to the Aerosat system as such, during the last several years, has been made. However, it can be argued that the two satellites which are being developed are the first steps in a global system, which the experimental system communications facilities in addition is intended to supply answers, to the continued use of. Until the system has been tried existing techniques. It is not out at least on a small scale, it until the early 1980s that will not be possible to enough information is expected to respond accurately to the national talks on any more-per- been expressed. But in Aero-

## SCHLUMBERGER LIMITED

The following is the Statement of the Chairman and President, MR. J. RIBOUD, which has been circulated to Shareholders with the Annual Report for 1975.

It is good to be able to report another year of record earnings. In 1975 we did not match the spectacular earnings growth achieved in 1974. Nevertheless the 1975 figures are impressive. Revenue increased 30% and net income increased 45%.

Yet the year did not start under entirely favourable conditions. In the Fall of 1974 an economic recession was already underway. No one knew how long it would last or how deep it would be, but most people thought it could be one of the most serious declines in the free world and particularly Europe. In all the free world and particularly Europe, the oil industry the pessimists outnumbered the optimists by a wide margin; oil exploration would be cut for lack of funds; demand for oil products would decrease because of higher prices and the economic slowdown; some went so far as to predict that the price of crude oil would tumble.

It is true that this past year has not been particularly smooth or easy for the oil business. But which year is? There were conflicts and disruptions; there was nationalization and punitive tax legislation. Yet to me, overshadowing these disturbing events, this was a year of stabilization. The quadrupling of the price of crude oil had left the world, and particularly the oil industry, in a state of shock. To some, the world was on the verge of collapse; gigantic trade deficits, impossible recycling of petrodollars, chaos on costs and inflation. The world did not collapse but the recovery could not happen overnight. During 1975 a process of readjustment took place and signs indicate that a new economic equilibrium in world trade is shaping up.

I have never believed the pessimists. In last year's annual report I wrote, "In spite of many fluctuations, of many shifts from country to country, from continent to continent, exploration will go forward. It did just that. Oil prices remained relatively stable, drilling activity increased in most of the oil producing areas of the world, our oilfield service revenue increased 35%.

In the past year the free world did have a serious economic recession. The U.S. economy was hit in the latter part of 1974 and first half of 1975. The recession developed somewhat slower in Europe, but has probably been deeper and with longer lasting effects. Our Measurement & Control units in the U.S., including Heath, had lower revenue except Weston Components. In Europe despite a severe drop in orders for some product lines, profit from our Measurement & Control operations increased significantly. For years we have said of our operations that we were reorganizing, streamlining, changing, reducing cost. The test came this year, a difficult year, and it was a rewarding test.

All our major decisions during the past year had one guiding thought: whatever the economic situation, whatever clouds the future,

## CONSOLIDATED SUMMARY OF OPERATIONS

	1975	1974	1973	1972	1971
Operating revenue from sales and services (Stated in millions)					
Oilfield Services	\$844.2	\$625.3	\$462.9	\$380.0	\$318.0
Measurement & Control	720.7	574.4	510.3	433.0	384.8
Other	7.9	5.5	4.4	12.2	21.7
	1,565.8	1,200.2	963.6	825.2	723.1
Cost of goods sold and services	850.0	742.5	612.4	541.3	483.1
Other operating expenses	254.3	202.0	187.4	161.3	147.1
	1,204.4	944.5	799.8	702.6	630.2
Operating income:					
Oilfield Services	299.2	218.0	134.9	107.5	84.1
Measurement & Control	63.7	38.0	29.7	15.4	7.4
Other	(1.8)	(4.0)	(4.8)	(3.1)	1.4
	361.2	256.5	163.8	122.6	92.9
Other income (expense)					
Interest expense	(24.9)	(21.5)	(15.9)	(13.7)	(14.5)
Interest income and other-net	7.5	(2.9)	2.2	7.1	9.5
	(16.5)	(24.4)	(13.7)	(6.6)	(5.3)
Income before taxes on income	344.7	232.1	150.1	116.0	87.6
Provision for taxes on income	125.4	83.5	57.7	45.8	31.4
Net income	\$219.3	\$148.6	\$92.4	\$70.2	\$56.2(b)
Per common share (c):					
Net income	\$2.92	\$2.08	\$1.69	\$1.29	\$1.06(b)
Cash dividends declared	\$0.65	\$0.61	\$0.37	\$0.33	\$0.31
Average number of common shares outstanding (thousands) (c)	55,524	55,038	54,705	54,899	55,565
Common stock price range (c):					
High	\$9.1	\$9.1	\$8.1	\$6.3	\$4.1
Low	\$6.1	\$4.8	\$5.5	\$3.2	\$1.9

(a) Commencing in 1973 a pro rata share of revenue and expenses of Schlumberger, a 50%-owned oilfield service company, has been included in the consolidated summary of operations. This treatment had no effect on consolidated net income or earnings per share.

(b) Net income for 1971 is before an extraordinary net credit of \$1.3 million, equivalent to \$0.02 per share.

(c) Net income per share for 1971 and 1972 was computed by dividing net income after interest on convertible debentures during the period they were outstanding by the average number of shares outstanding. Average number of shares outstanding for 1971 was 55,524; for 1972, 55,038; for 1973, 54,705; for 1974, 54,899; and for 1975, 55,524.

(d) Results of Schlumberger have been consolidated with Schlumberger beginning July 1, 1973.

Certain information relating to Directors' share dealings and group companies, required by The Stock Exchange in London to be made available, may be inspected during the next three weeks during usual business hours at Kleinwort, Benson Limited, 34 Lane Street, London EC3N 7LX, from whom copies of the full Annual Report may be obtained.

## Expansionist Budget undesirable, say directors

BY DONALD MACLEAN

LEADING businessmen believe that the Chancellor's Budget next month should not be "expansionist" according to a survey of the Director, Journal of the Institute of Directors.

Almost five out of six of those questioned—30 out of 65—rejected the idea of an expansionist Budget this spring, though a poll of 1975-76 was favoured in the "long term."

Immediate expansion, says the Director, was rejected by the chairman and managing directors taking part in the survey on the grounds that "Britain simply cannot afford it."

Sir Frank Taylor, chairman of the Taylor-Woodrow group, said that the first single measure he would like to see was "a first-class national coalition Government" which would be wise, honourable and fair, but absolutely firm, to stop party dogma and working assiduously "for the preservation of the country."

Mr. Richard Dunhill, chairman of Alfred Dunhill, called for secret ballots for union elections and strike decisions, effective incentives for exports and less encouragement for the "voluntarily non-working population."

A Royal Commission on taxation was long overdue, said Mr. Nigel Brookes, chairman of Trafalgar House Investments. "A powerful effort is needed to simplify the present impenetrable statutory jungle which has become quite incomprehensible to most business people."

## Call for more 'No Smoking' seats on trains

A CALL for more non-smoking compartments on British Rail trains has been made by Action on Smoking and Health (ASH).

Commenting on a recent survey which showed that only 40 per cent of smokers' seats were occupied on suburban lines while the figure was nearly 80 per cent on non-smokers, Sir Michael Daube, ASH executive director, said the case for increasing non-smoking accommodation "could not be greater."

He added: "Surveys have repeatedly shown that both smokers and non-smokers do not want to be subjected to tobacco fumes while travelling on public transport. At present the ratio for smoking to non-smoking seats on British Rail is roughly equal."

## GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE G.I.S.

A company with a fully paid share capital of 400,000,000 French Francs  
Head Office: 5 bis, rue de Madrid à PARIS (FRANCE)  
Commercial Register: Paris B552 075 087

## SECOND NOTICE TO HOLDERS OF BONDS 9 1/2% 1975-1983 OF 1,000 EUROPEAN UNITS OF ACCOUNT

The General Meeting of bondholders of the international loan 9 1/2% 1975-1983 of 1,000,000 European Units of Account, issued by the GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE G.I.S. which was called for March 10, 1976, being unable to meet validly for lack of quorum, the bondholders are again convened to an Ordinary General Meeting at 5 bis, rue de Madrid, Paris (France) on April 5, 1976, at 3 p.m., in order to consider the same agenda as that for the first meeting, that is:

1. Ratification of the statutory nomination of directors of the "Société Civile" of the holders of the bonds 9 1/2% 1975-1983 in conformity with article 7 of the by-laws of that "Société Civile".

To permit the bondholders to attend or to be represented at this meeting, the buyers or their deposit receipts, must be deposited at least five days before the date fixed for the meeting, at the offices of the banks having participated in the placing of these bonds and from whom proxies or admission cards can be requested.

The Board of Directors

مكتبة النهر



# NatWest Finance for growth

**Extracts from the Statement  
by the Chairman, Sir John Prideaux OBE**



The Group's average deposit resources and lending continued to expand in 1975.



The confidence of the NatWest Group in the longer-term future has been shown throughout by our large capital investment programme undertaken to meet planned expansion of domestic and international business.



Direct representation in Scotland, with the opening of branches in Edinburgh and Glasgow, offers excellent prospects for the growth of Group business.



Our international operations continue to expand and to make an important contribution to Group profits.



We have demonstrated a commitment to expanding our business in the United States and Canada. The opening of new offices is planned during the next few years.



There are now clear signs of a gradual improvement in the UK economy. NatWest Group has entered into substantial medium-term commitments to industry and is ready to provide industry with the necessary financial resources for a sustained recovery.

Figures taken from Group Accounts 1975	
Ordinary share capital	£183,522,000
Reserves	£661,732,000
Current deposit and other accounts	£13,238,969,000
Advances	£9,056,612,000
Group profit before allocation to staff profit-sharing	£107,830,000
Group profit after taxation but before extraordinary items	£46,438,000



**National  
Westminster  
Bank**

Copies of the Report and Accounts, which include the Chairman's Statement, may be obtained from the Secretary's Office, National Westminster Bank Limited, 41 Lothbury, London EC2P 2BP.



# FINANCIAL TIMES SURVEY

Monday March 15th 1976

## BEDFORD

Associations with John Bunyan, its most distinguished citizen, and a philanthropic Lord Mayor of London, Sir William Harpur, of the 16th century, are Bedford's historical claims to fame. The town today is moving ahead in terms which would doubtless please these noteworthy men.

### Moving with the times

THERE ARE at least two statues of John Bunyan. One is at Bedford, where he is acclaimed as the town's most prominent former resident, albeit sometimes in the town jail. The other is in an obscure niche of a Kingsway, London, office block. The two have a connection which goes back over many centuries, involving a one-time Lord Mayor of London, and prominent Bedfordian, Sir William Harpur.

In the 16th century, wise Sir William invested in land close to where the Holborn Bunyan statue was subsequently erected. Over the years, the investment inevitably grew, and the resultant Harpur Trust was used to form the foundation of secondary education at Bedford. To-day, matters have turned full circle. For, on the site of one of its schools, the Harpur Trust is completing Bedford's latest shopping complex, the Harpur Centre.

What Bunyan or Harpur would have thought of modern Bedford is a matter of speculation: Bunyan, by the way, has

his own leisure complex named after him. Certainly they would have recognised little of the county town that has grown into considerable commercial and industrial prominence.

For one thing, Bedford has grown in size to a current administrative population of 130,000, serving a total catchment population approaching the 1 million mark. Much of this development took place in the 18th and present centuries, due to two factors—industrialisation and the commuter proximity of the town to London, just 50 miles to the south.

Good rail and motorway communications have stepped up the number of people who choose to live in the charming environment of Bedford, while working in London. Conversely, Bedford has proved attractive to enterprises wishing to move to its industrial estates and commercial developments and become the headquarters for several national concerns. For Bedford, the ease of communication with London has worked in both directions, and provided valuable employment for the town.

The North Bedfordshire Borough Council, the district council responsible for Bedford's local government, has—in the short years of its existence—developed well. It has also come under fire, as have most other local authorities, for alleged overstaffing and overspending, from some of the town's commercial interests.

Much of the criticism stems from the duty of the local authority, a duty Bedford does well to provide such things as leisure amenities, which seldom can be made to work at a profit. As Bedford politicians point out,

those amenities provided by the local authority are those which the private sector finds unattractive because they are likely to be unprofitable. It is an argument which is bound to continue for some time.

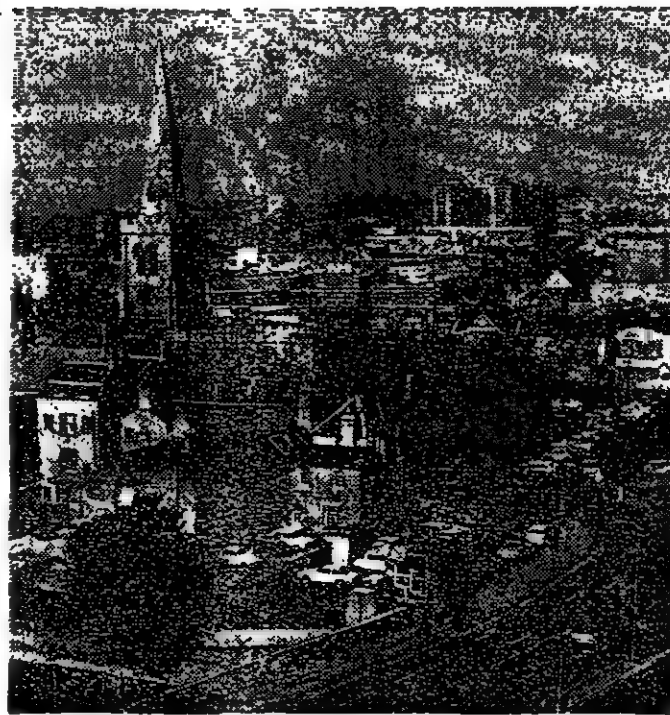
Putting to one side the cry that there are too many chiefs and not enough Indians, current pressure on the local authority to cut its level of spending has given rise to some possibility of redundancies among Bedford's administrators.

#### Shared

It is a problem shared by district councils throughout the country, but one which is bound to concern Bedford's local authority administrators. For the town has built up a creditable array of amenities and involved itself in considerable municipal projects, such as housing, over the past decade.

They would appear to have little room to manoeuvre, as most of the cost goes on salaries, essential expenses, training costs, and other items on which it would be damaging to cut back in size and variety. Bedford is a relatively typical district council, with commercial, industrial, and domestic commitments to fulfil. The suggested 2.6 per cent. cutback in administrative costs might be met by natural wastage and a non-replacement policy, but the local authority workers would appear at least to be faced with the threat of either more work for the same salary or possible redundancies.

What the effect of this would be on the quality of life in Bedford is difficult to judge. In the short term, it would be unlikely



The town centre.

This Report was written by Roger Beard

to have much effect except on the agents call "residentially desirable." It is industrially active, and yet retains a relatively slow pace of life.

This tranquillity is reinforced for the visitor by the passage through the town of the Great Ouse, a natural amenity once navigable from the town to the Wash, and still widely used for rowing, other small-boating ac-

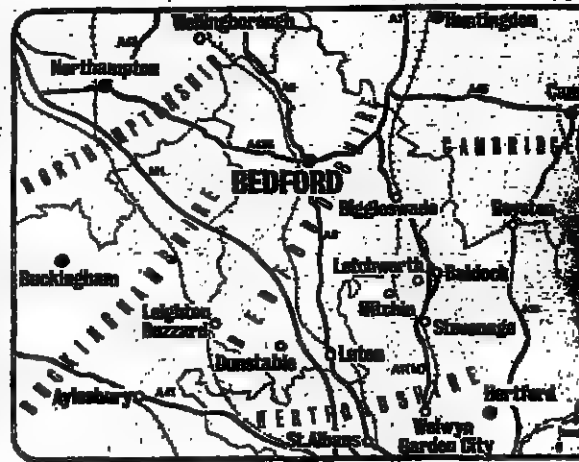
tivities, and angling. The Ouse at Bedford is a credit to the town, well landscaped, and with some 12 miles of riverside walks which would be of even greater interest should the river be made once again fully navigable.

Bedford's present balance may in the long term come under threat from two projects, worthwhile in themselves but outside the control of the local and county authority. The three components of housing, industry, and commerce which have created that balance are also to be found at the new town developments at Milton Keynes and Northampton.

Milton Keynes is only 17 miles away, with Northampton a further four miles distant. Milton Keynes, particularly, is an ambitious project which will have a very great impact on the region. With a planned population of 250,000 and attendant industrial expansion, there is some danger that it may overshadow established communities such as Bedford.

Nevertheless, the district's policy over the years of encouraging industrial diversification and mixed development has to date paid off. Commercial developments such as the Harpur Centre may not be able to compete in size with the vast centre planned for Milton Keynes, but it has one advantage. Bedford already has its catchment hinterland, and has taken care to integrate the car park facilities into central commercial development.

As the administrative headquarters for Bedfordshire, and the base for several government offices, Bedford is a considerable employer of civil and public



servants. The Harpur Trust retained its links with tradition has been, carried through to the publicly provided industrial and enterprise and the cat takes with its own green space. Yet o feeling that London far away, though just far not to overshadow in the way that Mill unfortunately might

#### Advantage

Bedford is difficult to compare with those other towns in the London ring which have increasingly attracted firms and people wishing to escape from the pressures of the metropolis. It has few visible drawbacks, and the added advantage of several market town, while well-preserved small communities has been of sufficient standard to attract modern of industrial present structure

Take a touch of Aylesbury, mix government may melt with a pinch of Ipswich, and Bedford's progress you have something close. fields, but the town Bedford is distinctly East literature the Anglian in feel, perhaps because tinker is unlikely of the river, and has also its character without

### In line with economy...

Council houses and County hospitals. Red Brick universities. Hotels and Motels and Ministry establishments. Multi-storey car parks and pedestrian precincts. Butcher's shops and bus shelters. Sports stadiums and supermarkets. Schools of all sorts. Flour mills and power stations. Public libraries and private enterprises. Police stations and public houses. Post offices and lost property offices. High rise flats and low budget buildings. Town houses and village halls, town halls and country houses....

use LBC flettons in commons and facings to keep the cost of building down



LONDON BRICK COMPANY LIMITED,  
London Brick House, 12 York Gate,  
Regents Park, London NW1 4QL  
Telephone: 01-487 4321

District Sales Offices at:  
AYLESBURY · BIRMINGHAM · BRISTOL  
BURY ST. EDMUNDS · HODDESDON  
LEEDS · NOTTINGHAM · SEVENOAKS  
SOUTHAMPTON



John Beard



## BEDFORD II

## Commercial enterprise

RPUR Centre, built on the old Bedford school, is the latest symbol of commercial enterprise which has brought Bedford's population from 16,000 a century ago to its 130,000. Smack in the heart of the town, it perpetuates the name of the family which has had a considerable impact on Bedford's cultural development and its involvement in education.

Centre is made up of five departmental stores, with two dozen shop units of varying size, and some 10,000 square feet of office space, and is faced by main shopping streets on two sides, close to convenient car parking facilities. Considerable care has been taken to ensure that all aspects of the development are of a high environmental standard.

In common with similar commercial developments elsewhere, the Harpur Centre lays great emphasis on architectural continuity, and the upkeep of good standards for which a manager appointed through the Trust will be responsible. To achieve this they have set out guidelines, particularly for those retailers fitting out their shops.

area, frontage, and location. For prospective lessees there is the added attraction that W. H. Smith, Boots, and Littlewoods have all reserved stores within the development.

As would be expected in a major retailing centre, the other national multiples are represented in the shopping streets which adjoin the Harpur Centre, together with a variety of smaller stores which complement them to give central Bedford the complete high-street retail range. Car-parking facilities have been provided by the local authority, and a considerable amount of pedestrianisation aids easy shopping.

At one time, Bedford meant brickfields and agriculture, particularly the manufacture and servicing of agricultural equipment. In post-war years particularly, a broad range of industry has been attracted to the town through the siting of industrial estates close in towards the town. It includes confectionery, electronics, greeting card manufacture, warehousing and distribution, together with a number of servicing industries.

## Availability

The commercial and industrial attraction of the town depends on site availability and the town's location close to the road and rail links between the north and the south of the country. Bedford is between the M1 and A1 trunk routes, and is on the main line north from St. Pancras. Luton Airport is some 20 miles away, and there are available shipping outlets from the East Anglian ports 100 miles across country to the East.

The variety of Bedford industry is reflected in a labour pool with a wide range of skills, and is aided both directly and indirectly by the presence in the area of such august institutions as the Cranfield Institute of Technology, and other



A suspension bridge over the River Ouse at Bedford.

organisations researching into modern technology.

The Planning and Development Department of the North Bedfordshire Council retain an active interest in the development of industrial estates to increase the industrial diversification of the area. Though agriculture still plays an important part in Bedford life, factories are being developed with a square footage, for example, of more than 30,000 square feet for modern manufacture of a wide range of components.

This is one way in which the town is seeking to beat off the challenge set by Milton Keynes and Northampton. For, though Bedford is a most attractive residential town, it must keep pace industrially as well as commercially with a deliberate policy of industrial diversification.

The educational facilities which are necessary to provide a trained work force are mainly

administered through the county council education authority, which has at Bedford a 6,000-student further education college. This caters for a wide range of medium level industrial and technical skills, while continuing the education of the young Bedfordians.

Industry has also made its contribution to the social make-up of the town, where there has always been a traditional attraction for immigrant labour from the early development of the brickfields onwards. This tradition has been maintained and, through the active encouragement of industrial growth, Bedford has developed a polyglot and mixed community.

The past year is hardly one where one could judge a particular community's economic health. Commerce and industry have both slowed down. Nevertheless, Bedford's continued commercial and industrial vigour have laid the founda-

tions for further prosperity as the country climbs out of the present recession.

Other communities may have more direct central government encouragement, be they new towns or in the development areas. Bedford has none of these advantages; instead it must attract what industry and trade it can through its own efforts. Geographical location and a pleasant environment undoubtedly help the town towards this end.

What helps considerably more are the efforts the community is making on its own behalf, through such ventures as the Harpur Centre, and a planned, similar local authority development, and the encouragement of industry. What Bedford lacks in development grants, it makes up for in verve and pugnacious determination.

John Bunyan might not recognise the place, but he would recognise its spirit. In common with the care the town is taking to preserve what is good of the old, it is making headway in protecting its regional, commercial dominance and expanding its industries. Bunyan might have turned from a life of debauchery to one of piety, but he retained a certain pugnacious spirit. The Bedford riverside, the slow pace of life, the air of the market town may all belie this. The retail and commercial developments and the industrial estates do not. If they are the indicator of the town's future prosperity, prosper it will.

## Urban and rural attractions

EARLIER THIS month, Bedford completed the 200th house built on its Elm Farm estate since the estate was started one year ago. This is the manner in which the housing authority is attacking the ambitious target it set itself at that time to build 2,000 homes within five years.

In areas throughout the district, and on sites already earmarked for the purpose, the municipal authorities have plans for a wide range of accommodation to meet Bedford's housing need within the public sector—a need which is undeniable and characteristic of the housing pressures on the South East. The council also actively encourages housing associations and has contributed already to the building of 900 units in this sector.

In the private sector, however, there are some pleasant surprises for the commuter prepared to travel the 50 miles north of London rather than 50 miles south to the commuter coastal resorts. For people moving to work at Bedford, and live in the surrounding villages, the surprises can be even more pleasant. For Bedford property represents good value for money.

Post-war, three-bedroomed, semi-detached houses, with two reception rooms, and considerable garden space, can be bought for £10,500, and there are available modern terraced

three-bedroomed houses in the £9,000 range—a price all but unheard of closer into town. Older property, suitable for conversion or modernisation, can be had for as little as £7,500.

Detached, executive housing is, of course, a good deal more expensive, and depends on area or particular village. Housing close to the river, modern, detached, and with four-bedrooms, costs in the order of £25,000. There are, though, more compact detached houses available in the £15,000 range. Country properties in more picturesque settings fetch correspondingly more than their town counterparts.

For instance, at the moment, a massive Jacobean manor house, set in two acres of land, in a small Bedfordshire village, was open to offers in the range of £30,000. This, still, however, seems good value against similar property set the same distance from London but in a different county.

## Newcomer

Flats are a comparative newcomer to the Bedford property market. Surprisingly, they are more expensive than the similar accommodation houses, partly because they are usually centrally situated or because they are built with exclusivity in mind. They come high and low. Low rise two-bedroomed flats can run from £16,000 upwards, and there is at least one high rise three-bedroomed flat for which £22,000 is being asked. Though flats can be had more cheaply.

The benefits of living in Bedford are many. Together with the River Ouse, and the town's natural parkland, there is a wide variety of nearby attractions. These include the district rural parishes, with their ancient churches and country houses, Whipsnade Zoo, Woburn Abbey, and Luton Hoo.

If playing the tourist palls, there are also attractions closer to hand. Public recreational facilities include a recent golf course, swimming pools, a civic theatre, museums, and public halls.

Education in the public sector is organised on the three-tiered comprehensive pattern, and in the private sector is represented by the four schools established under the Harpur Trust. These work closely with the local authorities, as befits the Trust's tradition, and there is an additional number of private educational establishments in the town. Mander College of Further Education serves post-school needs and there are two colleges providing special teacher training for

students drawn from all over the country, as well as locally.

As important as the formal amenities and the educational facilities, are those activities in which public participation plays the major part. Some of these are rural-based, others such as music festivals and thriving amateur dramatics appeal to people throughout the area. The Civic Theatre is a favoured venue for both the more formal and informal cultural activities which characterise the town.

John Bunyan himself lends his name to his own recreational centre, which shares its facilities, both sporting and cultural with the nearby secondary school. It might be a little more noisy than Bunyan would have liked, but it seems fun.

In towns seeking diversification there is always emphasis placed on what rural attractions they can offer the town. Bedford is no exception. Fishing, boating, ease of access to East Anglia, and to the bright lights of London, vie with each other as additional attractions in the town. But it is the town's own efforts which appear the most commendable.

They do not have everything. Until the latest stage of development they had even less. Nevertheless, the local population and the local council has kept up with the current needs of the town. Dual use of educational and leisure facilities is an idea which has been tried in many localities. At Bedford, constrained by limitations on public spending, every effort has been made to ensure that all such development is put to the maximum use.

## Bedford in the heart of England

Bedford is not just geographically in the heart of England. First-class roads and railways make London, the Midlands and the East Coast ports easily accessible. International airports at Heathrow, Birmingham and Luton are only an hour or so away.

These excellent communications make Bedford the ideal place to set up business, and the town itself offers unrivalled opportunities for industrial development.

**INDUSTRY** — Development sites from half an acre up to 12 acres are now available.

**OFFICES** — Small or large office suites up to 100,000 sq ft are immediately available for renting.

**WAREHOUSING** — Units from 5,000 sq ft to 150,000 sq ft.

**RESEARCH** — Many large research centres are already established in the area.

## The Merton Centre Bedford



New Offices Nearing Completion  
**93,000 sq. ft. To Be Let**

Joint Agents:

**JONES LANG WOOTTON**  
Chartered Surveyors

103 Mount Street, London W1Y 6AS  
Tel: 01-493 6040. Telex: 238558

**Robinson & Hall**

14-15a St. Pauls Square, Bedford MK40 1SW  
Tel: Bedford 52201

## THE HARPUR CENTRE BEDFORD

## A Major Central Area Development

including

## SHOPS, STORES AND OFFICES TO LET

Reservations include:—

BOOTS  
BRITISH SHOE CORPORATION  
CATERS SUPERMARKET  
EASTERN ELECTRICITY  
EASTERN GAS  
ETAM  
GORDON FRASER  
LITTLEWOODS  
P.G.W. HOLDINGS  
SHALET  
W.H. SMITH & SON

## FURTHER DETAILS

SOLE LETTING AGENTS

**Hillier Parker**  
May & Rowden

77 Grosvenor Street, London W1A 2BT  
Telephone: 01-629 7666  
and City of London, Edinburgh, Paris, Amsterdam, Australia

## WE PROVIDE

A  
PROFESSIONAL INSURANCE SERVICE  
TO  
INDUSTRY — COMMERCE — THE PUBLIC  
MAY WE HELP YOU?

**CORDER HUNTING BOLTON LTD.**  
INCORPORATED INSURANCE BROKERS AND ADVISERS  
ESTABLISHED 1847

**23 MILL STREET, BEDFORD**

TEL: 51635 and 45774

Branches at: SUNDERLAND, NEWCASTLE, HEXHAM, YORK, WAKEFIELD, DARLINGTON, TEESIDE, SOUTH SHIELDS

**GORDON FRASER**  
CARDS  
BOOKS  
STATIONERY  
WRAPPING PAPER

BEDFORD · LAUSANNE · PARIS · NEW YORK  
TORONTO · SYDNEY · LONDON

## THE HARPUR TRUST

1882-1973

Story of an educational trust and its four schools in Bedford: Bedford High, Bedford Modern and the Dame Alice Harpur School.  
by JOYCE GODBER M.A., F.S.A.  
Price £2.25  
In Bookshops or Trust Office, 15 High Street, Bedford.  
Tel: Bedford 51231

## MANAGEMENT RECRUITMENT

EXECUTIVE, PROFESSIONAL & TECHNICAL  
INTERVIEWING FACILITIES AVAILABLE  
SELECTION BY PROFESSIONALLY QUALIFIED STAFF

and  
job  
Bedford

D. E. Bridger, MPM, MPPS.  
15 High Street, Bedford  
Tel: (0234) 51024/7

## NEW WAREHOUSES

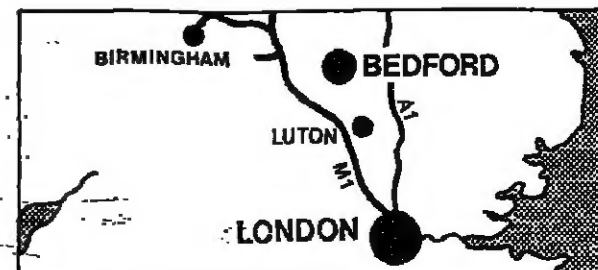
## BEDFORD



Approx **10,000-128,000** Sq.Ft.  
Every modern amenity  
**Immediate Occupation**  
Apply sole agents

**PEPPER ANGLISS & YARWOOD**  
Chartered Surveyors

6 Carlos Place London W1Y 6LL Telephone 01-499 6066



You will need to know a lot more about Bedford and all it offers — so contact Mr Derek Phipps, Chief Estates Surveyor, Department of Planning and Development, North Bedfordshire Borough Council, Town Hall, Bedford. Tel. 67422 Ext 204.







\_\_\_\_\_

[illegible][illegible]



